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# Latin America Report

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## NEW THERMAL TURBINES TO HELP ALLEVIATE ENERGY CRISIS

Buenos Aires LA NACION in Spanish 8 Feb 81 p 14

[Text] It has been learned that the Secretariat of Energy has already decided on the installation of 600-Mw thermoelectric generating equipment in the National Interconnected System (SIN). This decision, provided for in the reequipment plan, puts an end to a long wait which gained public status because of the generating crisis that occurred in the winter of 1979 which involved the conviction that delays in implementing hydroelectric equipment plans and other concomitant causes could lead to a serious shortage in the production of electric power by the middle of this decade, especially in the base area.

#### Projects

The Secretariat of Energy has reportedly commissioned SEGBA [Greater Buenos Aires Electrical Services] to design and build a new 300-Mw conventional heat engine for installation in one of its powerplants. It has also been learned that the aforementioned secretariat told that company to inform it as soon as possible as to which of the three possible choices--Puerto Nuevo, Nuevo Puerto (formerly CIAE [Italo-Argentine Electric Power Company]) and Dock Sud--is the most advisable.

It has been established that the urgency of the order is due to the secretariat's desire for everything related to this expansion of generating installations to be settled within the first 2 weeks of March.

#### Water and Power

It has also reportedly been decided that Water and Power [A y E] will be in charge of the installation of two other new 100- and 150-Mw engines. One of them will be installed in the Lujan de Cuyo powerplant (Mendoza Province) and the other in the Guemes (Salta) or Independencia (Tucuman) powerplants.

It has not been possible to verify whether that company's officials have been urged to provide their opinion to the same extent that SEGBA's executives were required to do so.

The installation of these three engines, possibly within a period of about 5 years, will help to alleviate--at least partially, in the opinion of less optimistic observers--the possibility of the aforementioned generating crisis.

#### Prior Designs

Based on what has been learned, it should be noted that SECBA had already completed prior designs, since in June 1979 it requested authorization from the Secretariat of Energy to go ahead with a solution of that type. In the case of Water and Power, there are no reports that its officials, persisting in developing a basically hydroelectric plan, have completed that type of design and it has been learned that the secretariat's decision even surprised them.

#### Confusion

It has also been learned that there was confusion in technical circles connected with the production of electric power, not because of the decision, which was to be expected and even inevitable, but because of the urgency in going ahead with that belatedly adopted decision and the technical methods of implementing it.

In general, it was expected that the engines would be installed in a mixed cycle (recovery in a steam turbine of usable heat from the exhausts of gas turbines) with those considered most suited to the somewhat erratic features of our load-demand curve.

It was pointed out in those circles that such equipment would prove more economical than conventional thermal equipment (approximately \$90 million less, plus improvement of already existing civil works) and more versatile, since three engines are involved, which can be operated separately, thus making it possible to follow variations in demand more closely, not to mention their easier starting.

#### Another Feature

The fact should not be overlooked that these engines (both in the case of SECBA and A y E) would be the first of their kind to be installed in the country (which was probably a decisive factor in the secretariat's decision). But on the other hand, many technical experts point out, there is vast existing worldwide experience, the simplicity of their components--gas turbine, steam turbine and thermal converter--about which our knowledge is complete, and the fact that those problems, although they exist, are smaller than those caused by hypersensitive boilers which are built or which have to be built in the country.

Their higher heat yield was also stressed--it may exceed 45 percent--which means a considerable savings of nonrenewable resources, as well as the possibility of building them faster.

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CSO: 3010

## YPF PRESIDENT SUBMITS 5-YEAR REPORT

Buenos Aires LA NACION in Spanish 13 Feb 81 p 14

[Text] Our weekly political commentary last Sunday concerned, among other topics, a series of decisions which the next government will probably make regarding four government corporations: Government Oil Deposits [YPF], Government Coal Deposits, National Highways and National Railroads. According to what official sources said again this past week, such decisions would be based on the need to achieve greater efficiency and coordination with the government in general.

As a result of that commentary, the president of YPF sent LA NACION a letter in which he saw fit to make what, in his opinion, constitutes a report on that corporation's results for 1976-80. Engineer Carlos Benaglia stated:

"a) Exploration: Despite the fact that staff personnel were reduced by 33 percent, the number of seismic surveys made has quintupled and total kilometers of seismic lines have tripled.

"This intense seismic activity, involving advanced programs, has made it possible to reverse the trend of declining oil and gas reserves, which can be noted beginning in 1973, and to establish oil reserves of approximately 400 million cubic meters and gas reserves of more than 600 billion cubic meters.

"b) Drilling: Despite a 35-percent reduction in staff, the annual average number of meters drilled by YPF crews rose from 17,300 in 1970, with a low of 13,800 in 1975, to 25,100 in 1980.

"c) Production: Oil production increased 24 percent from 1975 to 1980, breaking daily and annual production records in 1980. The sector's staff personnel were reduced 35 percent during the same period.

"d) Industrialization: With a personnel reduction of 36 percent, our refineries processed almost 13 percent more in 1980 than in 1975. Record figures were also obtained in 1980 with regard to achieving greater production of light derivatives, the area in which the country's real hydrocarbon deficiency lies.

"e) Marketing: In achieving one of its first goals, the national government established legal standards for neutralizing the effects of Decree 632/74 regarding nationalization of retail outlets. This measure reintroduced private competition into the market, which had been distorted since 1971 by restrictive measures for the distribution of crude oil. YPF nevertheless maintained greater overall sales participation than during the period prior to such measures. Its storage facilities have been modernized, the job of mechanical maintenance of gas pumps--practically abandoned--has been made private and intensive work has been done to improve service stations. Sales personnel have been reduced by 42 percent.

"f) Shipping: Our ships operated an average of 91 percent of the days in 1980. This average was 55 percent in 1976. Paralleling the increase in production, oil pipelines have increased their yields. Personnel have been reduced by 33 percent.

"g) Administration: The large reduction of staff in various areas has been mentioned. For the company as a whole, the net reduction amounted to 35 percent (51,676 persons as of 31 March 1976 as opposed to 33,452 as of 31 December 1980). It should be noted that to find such a low personnel figure it would be necessary to go back to 1955, when almost five times less petroleum was produced, shipped, refined and marketed than in 1980. It is also significant to note that the percentage of university graduates and technicians who graduated from professional schools rose from 4.7 and 14.3 percent, respectively, in April 1976 to 8.0 and 20.4 percent in December 1980, i.e., at the present time one of every three YPF employees has a degree from a university or technical school.

"For many years prior to 1977, the YPF did not have financial statements approved by the National General Accounting Office. Since the YPF's first year as a government corporation in 1977, its financial statements have been approved by External Auditing and the General Comptroller's Office for Public Corporations. An official inventory of the corporation's capital goods has been taken for the first time in more than 10 years. Monthly financial statements are prepared within 30 working days from the close of each month. A modern and extensive computer system has been installed and numerous programs are being implemented to improve the corporation's efficiency, including a cost accounting system, an essential tool which the YPF lacked.

"The YPF has become a punctual payer of its suppliers, contractors and even the National Treasury itself. Not only does the YPF receive no support from the latter, it has become one of its largest taxpayers.

"Thirty-nine exploration and development contracts have been concluded, making growing private participation in the corporation a reality through the establishment of flexible, responsible procedures. At the same time, suppliers and contractors have managed to effectively reduce unit prices for the supply of goods and services."

Engineer Benaglia concluded by saying that the corporation's stockholders have been "backed constantly by the Secretariat of State for Energy, with which the YPF's management has worked in a coordinated and harmonious manner."

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**JOURNALISTS FEDERATION CONDEMNS SALVADORAN JUNTA**

Caracas EL UNIVERSAL in Spanish 13 Feb 81 Sec 2 p 20

[Text] The first seminar on the "Impact and Responsibility of Journalism in Latin America," which took place early this month in Panama City and brought together journalists from several countries of the region, issued a document condemning the repressive policies of El Salvador's Christian-Democratic military junta and expressing concern for the recent armed encounters between the Ecuadorean and Peruvian armies.

The text of that document states:

We, the undersigned, participants in the seminar on the "Impact and Responsibility of Journalism in Latin America," after examining some of the problems of the region and the role that journalism must play:

Condemn the repressive and criminal policy of El Salvador's Christian democratic junta against journalists and the media, manifested by the closing of the API news agency and the newspaper EL INDEPENDIENTE which, according to a recent declaration by Monsignor Rivera y Dama "silences the last dissonant voices which were still left in the country;" we demand guarantees for the professional exercise of Salvadoran journalists and foreign reporters, and we denounce the campaign which that dictatorship, supported by spokesmen for the Venezuelan Government, has unleashed to discredit true reports about the war of the Salvadoran people for their liberty and democracy.

We express our concern for the recent armed encounters between the Ecuadorean and Peruvian armies; we hope that through negotiations peaceful solutions might be obtained without impairment to the dignity of either country and we exhort journalists and the communications media of Peru and Ecuador to treat news reports of these events without sensationalism and without making the search for negotiated solutions more difficult.

We alert the public opinion of Latin America to denunciations of alleged border violations by Nicaragua, denunciations which could be an excuse to attempt an invasion of that country.

We reiterate the denunciations of persecution of journalism in countries such as Argentina, Bolivia, Haiti, Uruguay, Chile and Guatemala and especially in the latter, where Alalde Poppa, Director of FEM magazine and of Radio Educacion, and Irma Flaquer, of the newspaper LA NACION, were recently kidnapped and have not been heard from despite the repeated demands to the Guatemalan Government.

We salute the initiative to bring together journalists from Colombia and Venezuela next April to examine the role of journalism in the present quarrel between the two countries.

Panama, 7 February 1981.

Eleazar Diaz Rangel, president of the Latin American Federation of Journalists; Rigoberto Lopez and Rafael de la Cruz, of the National Union of Mexican Editors; Gilberto Alcala, president of the Venezuelan National College of Journalists; Jorge Andres Richards, of the Latin American Institute for Transnational Studies; Eduardo Stein, executive secretary of the Central American Association of Teachers and Researchers of Communication; Jose Benitez, of the University of Havana's School of Journalism; Raul Cuestas, of the Argentine Press Workers Federation; Norma Nunez Montoto, secretary general of the Panamanian Union of Journalists.

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CSO: 3010

**GOALS OF MAY MEETING OF GROUP OF 77 EXAMINED**

Caracas EL UNIVERSAL IN Spanish 8 Feb 81 Sec 2 p 8

[Text] Caracas, 7 Feb (VENPRES)--The ministerial meeting of the Group of 77 to be held in Venezuela from 13 to 19 May will search for specific and coherent mechanisms and measures to implement the cooperation established in the report issued during the Vienna meeting.

The report, prepared in June of last year at the Vienna meeting of the intergovernmental ad hoc group on economic cooperation among developing countries, will be the basis for a preliminary stage to arrive at a collective document.

The experts who wrote the report following the ministerial meeting of the Group of 77 held in New York in March of 1980, emphasize cooperation in the fields of commerce, technology, agriculture, energy, raw materials, finance and industrialization.

These are the points to be studied in depth by the experts of the countries that form the Group of 77. They will meet three times before the ministerial conclave, which will be held during the last 2 days, the 18th and 19th, when the foreign ministers of 119 countries will attend.

During the 13th, 14th and 15th, the experts will meet here in a preliminary gathering where they will analyze the results of prior meetings.

These meetings will take place in February, at the ambassadorial level, in the United Nations. Other gatherings will be held in March among technical experts.

The second meeting will actually be several gatherings to take place simultaneously in Geneva, Rome, Vienna and Paris, the headquarters for UNESCO, FAO, UNIDO and OTDA.

The third meeting, whose site has not been decided yet, will be held in April and it will be there that high officials will receive reports of all the previous meetings to draw up a final document to be taken to the ministerial conference.

"Each country will prepare for the final meeting, but what we are seeking, specifically, is to have a united position of all the countries members of the Group of 77," pointed out a source of the Venezuelan Central Bank.

The source indicated that rarely do all foreign ministers attend, recalling that the meeting of Buenos Aires was attended by 50 ministers and it was nevertheless considered fully successful.

The hope of the Venezuela meeting is to arrive at the implementation of South-South cooperation, which actually is the most important goal, with two main paths for action having recently been identified: the economy and technology.

This South-South cooperation started with the conference held in Mexico in 1976, which was devoted to the possibility of exchanges among the developing countries. From then on, several meetings have been held where the subject of bilateral relations in the field of economics has been approached.

The fostering of economic and technical cooperation has been passing from the programmatic to the implementation stage, and there are some areas, such as training, where it is quite real.

A specialized source said that the meeting to be held in May has political significance since it will take place at a difficult moment for the North-South dialogue, which is stagnant, and even for the South-South cooperation, which is being tested if we take into account the situation within the Andean Group.

In this meeting the presence of OPEC as an organization formed by countries of the Third World will be reaffirmed as well as that of the Andean Group, which is also a goal for the group's member nations.

The Caracas meeting will permit the reaffirmation of the goals that the countries of the Third World have set for themselves concerning technical and economic cooperation and integration. It will also produce progress in the steps already taken by the different organizations that have been formed.

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CSO: 3010

**GRENADE RECEIVES CUBAN TRAWLERS, BRAZILIAN PLANE, AIRPORT AID**

PA210114 Madrid EFE in Spanish 1607 GMT 21 Mar 81

(Text) St Georges, 21 Mar (EFE)--In spite of its political isolation in the Caribbean, the leftist regime of Maurice Bishop in Grenada has continued to receive substantial foreign aid to accelerate its economic development.

The Brazilian Government challenged Washington's directives and on Friday delivered a modern \$2-million passenger plane which will be used to promote tourism in this country of 100,000 inhabitants. The plane, a "Bandeirante" with an 18-passenger capacity, will connect Grenada with Port of Spain, Trinidad, and Bridgetown, Barbados.

With the Brazilian plane, financed on easy terms by the Brazilian Government, Grenada can break the communications isolation with neighboring islands.

Grenada has also just received four Cuban trawlers in addition to the two sent earlier by Fidel Castro's government. When the fishing cooperation agreement between Cuba and Grenada ends, the latter will have a fishing fleet of 12 trawlers and a large export-oriented fishing industry.

The delivery of Cuban trawlers to Grenada follows the graduation of students from a fishing training school established here with Cuban aid.

A small fish processing plant is already in operation and is exporting 2,000 tons of fish a week to neighboring Antigua, and the government hopes to increase these exports soon.

The Cuban Government has just sent an asphalt production plant which will be used to surface the new international airport now under construction at a cost of \$30 million.

Thanks to this plant, the airport runway will be surfaced beginning in May with the financial and technical aid of Cuba, Libya and Iraq.

Venezuela has contributed approximately 40,000 liters of diesel fuel to operate the machinery for the airport construction works.

With the completion of the first phase of the work in December, the airport runway will be 1,500 meters long and will have lights for use by small planes. The authorities expect the work to be completed in 1983, with a 3,000-meter runway and modern installations, including a hotel nearby.

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## BIOGRAPHIC DATA ON NEW CABINET MEMBERS PUBLISHED

Buenos Aires LA NACION in Spanish 28 Feb 81 pp 1, 11, 14

[Text] The list of national authorities who will accompany Lt Gen Roberto Eduardo Viola in his presidential term has officially been made public. At 2030 hours yesterday the press office of the future chief executive reported the names of the 13 ministers and five secretaries of the presidential sphere who will make up the president-designate's cabinet; 7 of them are civilians.

Viola met twice with them yesterday at the Planning Secretariat. The first meeting began at 1730 hours and was attended by six future civilian ministers. Afterwards, they remained on the third floor of the secretariat, awaiting the arrival of their military colleagues for a joint preparatory cabinet meeting.

#### Initial Guidelines

The military ministers had been asked to come at 2000 hours, but because of unexpected traffic congestion downtown, most of them arrived late at the Planning Secretariat, and therefore the joint session began at 2030 hours. During the meeting Viola set forth the initial guidelines to be followed by the new administration.

It was learned that afternoon that the list of future governors would be disclosed next week. In an interview yesterday with the editor of SELECCIONES, on which we report in detail elsewhere, Viola discussed human rights, the political opening, the role of Peronism in the new stage, continental integration and future economic moves.

#### The Cabinet

The cabinet of ministers that will accompany Lieutenant General Viola during his presidential term consists of the following men: Mr Jorge Aguado, Agriculture and Livestock; retired Brig Amilcar Arguelles, Public Health; Carlos Burundarena, Culture and Education; Dr Oscar Camilion, Foreign Relations; Rear Adm Norberto Couto, Defense; Dr Amadeo Frugoli, Justice; Dr Carlos Garcia Martinez, Commerce and Maritime Interests; Vice Adm Carlos Alberto Lacoste, Social Action; Maj Gen Horacio Tomas Liendo, Interior; Eduardo Oxenford, Industry and Mining; Brig Julio Cesar Porcile, Labor; Dr Lorenzo Sigaut, Economy, Treasury and Finances, and retired Maj Gen Diego Urricarriet, Public Works and Services.

The following are the secretaries of the presidential area: Maj Gen Carlos A. Martinez, State Intelligence; Brig Gen Santiago L. Martella, General of the Presidency of the Nation; Brig Jose Miret, Planning, and Brig Gen Raul Ortiz, Public Information.

Rear Adm Norberto Benito Moya will serve as chief of the Military Household of the Presidency of the Nation.

The following are biographical sketches of the future officials.

#### Jorge Ruben Aguado

The future minister of agriculture and livestock, Jorge Ruben Aguado, was born on 6 November 1925 in the province of Santa Fe. He has been busily engaged up to now as a farmer and as a leader of various farm production organizations. He served as president of the Confederation of Buenos Aires and the Pampa Rural Associations (CARBAP) from 1974 to 1978 and as head of Argentine Rural Confederations (CRA) since 1979.

We should also note that in 1956 and 1957 he served as president of the Rural Cultural Association (Ateneo Rural) of the Confederated Youth of Buenos Aires and as chairman of the Linking Committee of the Rural Associations of the Pampa from 1973 to 1974.

In 1973 he was also appointed assistant secretary of CARBAP and delegate to the Board of Directors of CRA, posts that he held until 1974.

Between 1976 and 1979 he served as adviser to the Buenos Aires Commodity Exchange and in 1979 he assumed the presidency of the Ingeniero Luigi Agricultural and Livestock Trade Union Association, in the Pampa, where his term extends until the middle of this year.

#### Brig Amilcar Arguello

Retired medical Brig Amilcar E. Arguello was born in the city of Bahia Blanca on 20 May 1918. He is married and the father of three children.

He became an Argentine Air Force officer in 1950, earning the rank of captain in the health care career service. He was promoted to commander late that year, to vice commodore in 1954 and to commodore 4 years later. In 1959 he was named assistant director general of the General Directorate of Air Force Medical Care and director general in 1962. He was promoted to brigadier on 31 December 1963 and retired, at his own request, in February 1967.

He is a doctor of medicine and graduated from the National University of Buenos Aires. From 1958 to 1966 he was a regular professor of endocrinology in the Salvador Department of Medicine. In 1960 he received a fellowship from the French Government to study in the Paris Department of Medicine and in 1966 was visiting professor of pathological chemistry at the University of London. He has been an academic member of the New York Academy of Sciences and of the International Academy of Aerospace Medicine since 1967. In 1980,

he joined the Buenos Aires National Academy of Sciences as a regular member. He has authored 216 scientific studies published both here and abroad and has coauthored 5 books.

#### **Carlos A. Burundarena**

The new minister of culture and education, Carlos A. Burundarena, a telecommunications engineer, is 60 years old, married and has seven children. He is currently serving as rector of the National Technological University (UTN), having previously been the interventor in the National Council of Technical Education during the National Reorganization Process.

He was born on 11 October 1921 in Adrogué, Buenos Aires. He did his primary school studies at Corral de Bustos, Córdoba, and his secondary school studies at the Carmen Arriola de Marín School, run by the La Salle brothers in San Isidro, and at the Nicolás Avellaneda National School in the federal capital. After graduating from the Engineering Department at Buenos Aires University, he took graduate courses in Paris.

He has taught classes in microwaves at Buenos Aires University for 30 years. He was also a professor of personnel management in the Department of Economic Sciences at the University of La Plata and the Argentine Catholic University, teaching postgraduate courses in business reform.

In 1955 he was director general of the National Commission of Apprenticeship and Vocational Guidance and 3 years later president of the National Productivity Institute.

He served on the National Council of Technical Education in 1966. In the private sector he engaged in his specialty on several occasions, the last time with the company Italo. He was also manager of Business Federations.

#### **Dr Oscar Hector Camilión**

The Ministry of Foreign Relations and Worship will be headed by Dr Oscar H. Camilión, an attorney, university professor, journalist and diplomat who currently represents our country in Brazil.

He was born in 1930 and attended primary school at the Salvador School in this city. He graduated as an attorney from the University of Buenos Aires, where he worked as an aide, research chief and professor of constitutional law. He was also a professor at the Institute of Hispanic Culture and the National Defense School.

He has held various posts in the ministry that he will be running, including cabinet chief, personnel director and undersecretary of foreign relations. In addition, as a member of our foreign service, he served on missions that attended OAS and UN meetings and took part in the Alliance for Progress Conference in 1960 and in the 1981 meetings of the countries guaranteeing the peace pact between Peru and Ecuador.

Dr Camilion was editor-in-chief of the Buenos Aires daily CLARIN and has published scholarly studies on historical, political and diplomatic topics. He is married and has four children and one grandson.

#### Rear Adm Norberto H. Couto

Retired Rear Adm Norberto Manuel Couto is married and has four children. He entered the Military Naval School in February 1946 and received his midshipman's commission on 31 December 1950. He retired, at his own request, on 1 January 1980 after 34 years in the navy, where he held various posts.

Couto was second commander of the icebreaker "General San Martin" and of the aircraft carrier "25 de Mayo" and commander of the rescue vessel "Guardiamarina Zicari" and of the Antimando Squadron. He served on the Staff of the Naval Command on various occasions.

He also served in the Navy Staff's Politics and Strategy Headquarters and was undersecretary of the Merchant Marine in 1978. He has taken courses of study in this country and overseas and was director of the Antisubmarine School at the Center of Operational Instruction and Training, of the Naval Polytechnic School and of the Naval War School.

In 1976 and 1977 he served as the first adjutant naval attache and assistant chief of the Naval Commission in Europe. Outside the navy, he took the Superior Operational Research Course, computer courses with IBM and the Business Administration Course offered by the Argentine Catholic University, among others.

#### Dr Amadeo Frugoli

Dr Amadeo Frugoli was born in Mendoza on 26 February 1932, is married and has four children. He did his primary and secondary school studies at the San Jose School, run by the Marist Brothers, and then studied law in the Department of Law and Social Sciences at Buenos Aires University.

Frugoli taught Argentine history and civics at the Gregorio de Las Heras and Martin Zapata schools, the latter being part of the National University of Cuyo. In 1965 he served as legal adviser to the governor's office in his native province and the next year as secretary general of the governor's office.

In 1970 and 1971 he was, respectively, Mendoza government minister and the nation's social welfare minister. He was a national senator from 1973 to 1976.

As far as politics is concerned, Frugoli has long been a member of the Democratic Party of Mendoza, having sat on the Advisory Committee, the Political Affairs Committee and the Central Board of Governors. He was chosen by the party as a provincial delegate in the April 1966 provincial elections.

He was also a member of the Argentine Institute for International Relations.

### Dr Carlos Garcia Martinez

Our future minister of commerce and maritime interests, Dr Carlos Garcia Martinez, currently representing Argentina in the Executive Committee of LAFTA, received his doctorate in economic sciences from the University of Buenos Aires.

Dr Garcia Martinez was born on 2 June 1935, is married to Nilce Fazio and has one daughter.

Among other posts he has held during his career, he was adviser to the Argentine Industrial Union from 1962 to 1973, director of the Central Bank in 1967 and 1968 and adviser to the economy minister in 1963.

He has taught industrial organization and legislation at the No 13 Industrial School of the Nation; political economy at the Carlos Pellegrini Superior Business School and at the University of the Argentine Social Museum, and foreign trade at the Argentine Business University (UADE). He was also the founder of the magazine POLITICA Y ECONOMIA.

He is a member of various associations and groups connected with his profession and has won numerous awards, including recognition as "outstanding young man" by the Junior Chamber of Buenos Aires.

He has published five books: "Argentine Inflation," "Economic Integration Among States," "Stability and Development in Latin America," "The Argentine Cobweb" and "The United States at the Crossroads."

### Vice Adm Carlos Alberto Lacoste

The future minister of social action, Vice Adm Carlos Alberto Lacoste, was born in the federal capital on 2 February 1929. He joined the Argentine Navy in 1946 as a cadet in the Corps of Engineers and graduated from the Military Naval School as a midshipman in 1948. He then attended university and graduated as a telecommunications engineer in 1953. He then took the U.S. Navy's course of studies in electronics, management and supply. He took the Professional Extension Course in 1967.

He has served in various operational units of our navy, in schools and in institutions. He was director of naval electronics and then headed up the Naval Personnel Arms Directorate.

He has held various overseas posts: at the Argentine Embassy in Washington, on the Argentine Naval Commission in the United States and later on the Argentine Naval Commission in Europe.

The Spanish Government awarded him its Cross of Naval Merit First Class. He has served as vice president of the World Autarchy Institute 78 (EAM '78) and is currently vice president of the International Federation of Association Football (FIFA).

He attained the rank of vice admiral on 31 December 1980, is married and is the father of three children.

#### Maj Gen Horacio Tomas Liendo

Maj Gen Horacio Tomas Liendo entered the Military College of the Nation on 2 August 1943 and graduated as a second lieutenant on 22 July 1947. His first military assignment was the Fourth Communications Battalion.

Two years later he was promoted to lieutenant and in late 1971 to first lieutenant, serving in the Sixth Motorized Communications Battalion. As a captain, he entered the Superior War School in 1954, graduating as a staff officer 3 years later. After serving in the Communications Inspection Office, in the Army General Staff and as second commander of the Fourth Communications Battalion, he was promoted to major in 1959 and assigned to the 61st Communications Command. He took the Command and Staff Course in 1962 and served directly under the military attache in the United States.

He was promoted to lieutenant colonel in 1965 and to colonel 5 years later. He won his general's stripes in December 1975 and served as labor minister from 1976 to 1979. On 18 December of that year he was appointed joint chief of staff. He was promoted to major general on 31 December 1979.

General Liendo was born in Cordoba on 17 December 1924, is married and the father of six children.

#### Eduardo Valentin Oxenford

Eduardo V. Oxenford was born in Buenos Aires on 16 January 1920. He attended the Manuel Belgrano National Secondary School and graduated from the National University of Buenos Aires as a civil engineer.

He pursued a postgraduate program at the Massachusetts Institute of Technology and the Advanced Management Program at Harvard University, among others.

He joined Alpargatas in 1939, where he held various posts in the industrial and management areas, eventually becoming its president, a position that he still holds.

He is also president of S.A. Fabrica Uruguaya de Alpargatas, vice president of the Banco Frances del Rio de la Plata and director of other companies. He was a charter member and president of the Institute for the Development of Executives in Argentina (IDEA) in 1962 and a member of its Executive Committee for 10 years.

He is the first vice president of the Argentine Business Council and a member of the Latin American Economic Research Foundation (FIEL). In 1978 and 1979 he served as the delegate of Argentine employers to the ILO Conference. He was director of Government Oil Deposits (YPF) until February 1979. In July of that year the Executive Branch appointed him interventor of the Argentine Industrial Union.

### Brig Julio Cesar Porcile

The labor minister-designate's ties with labor circles began in 1976, when as a commodore, Julio Cesar Porcile was named interventor in the General Labor Confederation (CGT).

He was promoted to brigadier in late 1978 and 1 year later took over as chairman of the Legislative Advisory Commission (CAL), in accordance with the rotating arrangement adopted by the Armed Forces.

In between these two official posts he served as director of the Noncommissioned Officers Aeronautics School in Cordoba from 13 December 1977 on.

His career as an air force officer began on 10 December 1949 when he graduated from the Military Aviation School as an ensign.

After serving in various units of the branch, he received the title of air force information officer in December 1955. Two years later, as a captain, he served in the General Directorate of the Air Force Ministry.

He was promoted to commander in late 1960 after completing the basic program of the Command and Staff School. In 1967 he traveled to Brazil as an adjutant air force attache with our embassy there.

Brigadier Porcile completed the superior program of the Command and Staff School on 26 October 1976 and shortly thereafter was assigned to the Air Force Chief Command.

### Dr Lorenzo J. Sigaut

Dr Sigaut was born in the federal capital on 6 June 1933. He graduated from the Department of Economic Sciences at the University of Buenos Aires as a national public accountant in 1955 and as a PhD in economic sciences in 1957.

He served as adviser to the National Bermejo River Commission from 1958 to 1960 and as chief investigator at the Office of Studies for International Economic Cooperation from 1957 to 1967. From May 1967 to January 1968 he was an adviser to the Economy and Labor Ministry and later coordinated the ministry's pricing program until July 1969.

He also held the posts of national director of economic and financial policy of the Economy and Labor Ministry and director of SOMISA [Argentine Joint Iron and Steel Association] from October 1968 to October 1971.

He has authored the following works, among others: "Agricultural Development and the Industrialization Process"; "Argentina, Brazil, Prejudices and Reality"; "On the Distribution and Levels of Income in Argentina," and "The Transition to the Transformation and Expansion of the Argentine Economy." He has taught political economy at Salvador University, economics at the Naval War School,

economic analysis at IDEA, and the economic and agricultural analysis course at AACREA (Argentine Association of Regional Farm Experimentation Centers) and has been a member of the Center of Strategic Studies of the Naval War School.

#### Retired Gen Diego E. Urricarriet

Retired Maj Gen Diego Ernesto Urricarriet is a native of Juan Bautista Alberdi in Buenos Aires Province, where he was born on 26 September 1923. He graduated from the Military College of the Nation in 1944, and his first assignment was at the Engineers Branch School in Concepcion del Uruguay.

Among the many posts that he held in the branch, he was called upon to serve in Army General Staff in 1955 and in the General Inspectorship of Training from 1956 to 1958. Parallel to his military career, he studied in the Engineering Department at Buenos Aires University in 1957 and 1959.

He was chairman of the Board of Directors and director general of Fabricaciones Militares, chairman of the Board of Directors of HIPASAM and of Petroquimica Bahia Blanca, which underscores his career in major public posts. General Urricarriet has taught several college courses and since this past 31 July has served as chairman of the Board of Directors of Atanor. He also heads up the Engineering Academy of the Province of Buenos Aires.

#### Maj Gen Carlos A. Martinez

Maj Gen Carlos A. Martinez is currently the secretary of State Intelligence, and Lieutenant General Viola has decided to keep him as a member of his cabinet.

A graduate of the Military College of the Nation in 1947, he serves in the artillery branch. His superior officers have assigned him various posts in the field of intelligence during his military career.

General Martinez has served as commander of the 601st Intelligence Battalion and as second commander of Intelligence of the Army General Staff, among other positions.

He has completed several courses of study overseas, winning the graduate of honor prize at the U.S. Army's School of the Americas for having graduated first in his class.

He won a similar award at the conclusion of a psychological operations course at the U.S. Army's Special War Schools.

General Martinez holds the titles of army staff and army intelligence officer. He was born on 13 April 1928, is married and has two children.

#### Brig Gen D. Luis Santiago Martella

General Martella was born in the city of Chivilcoy in the province of Buenos Aires; he is 52 years old, married and the father of three children.

He joined the army as a cadet in the Military College of the Nation on 12 March 1945. He was promoted to the rank of second lieutenant on 18 December 1947 and assigned to the 22nd Mountain Infantry Regiment, moving later to the 6th Infantry Regiment. He was promoted to first lieutenant on 31 December 1952, after which he was assigned to the 26th Mountain Infantry Regiment and in 1956 to the Cuyo Mountain Group Command, subsequently being named interventor in the Labor Confederation in Mendoza. In December of that year he took the examination of the Superior War School and attained the rank of captain. He graduated as a chief of staff of 1958 and in January 1960 was assigned to the 1st Mountain Detachment Command. Promoted to major in 1962, he was appointed regular professor at the Superior War School. In 1965 he took the Personnel Management Course at Fort Benjamin Harrison in Indiana in the United States.

After his promotion to lieutenant colonel, he was assigned to the General Balcarce 2nd Airborne Infantry Regiment as its commander. He was promoted to the rank of colonel in December 1972 and took the Superior Strategy Course in 1973. In December 1974 he was appointed military, naval and air force attache in Colombia. In 1977 he was appointed commander of the 4th Airborne Infantry Brigade. On 18 December 1979 he was named director of the Military College of the Nation. On 5 December 1980 he was appointed secretary general of the Presidency of the Nation.

#### Brigadier Miret

Brigadier Jose Miret, the current planning secretary of the Presidency of the Nation, graduated from the Military Aviation School in 1948. After serving in several air force units and agencies, he took the basic course of the Command and Staff School in 1958.

In addition to serving in various commands, he was later a professor at the Superior Air War School. In 1966 and 1967, as a vice commodore, he served as adjutant air force attache in Great Britain and Northern Ireland.

In January 1970 he was appointed chief of the secretariat of the Junta of Commanders in Chief, and in 1971, when the Secretariat of Planning and Government Action was created (he was by then a commodore), he began working there.

On 25 May 1973 he returned to posts in his career specialty, serving as commander of the Cadet Corps at the Military Aviation School and later as director general of Aeronautical Infrastructure. On 24 March 1976 he was named legal and technical undersecretary of the General Secretariat of the Presidency, a post that he held until his promotion to brigadier in December 1977.

He served on the Legislative Advisory Commission in 1978 until 14 November, when he was named secretary of planning.

#### Rear Adm Roberto B. Moya

The new chief of the Military Office of the Presidency of the Nation, Rear Adm Roberto Benito Moya, is 50 years old, married, with four children, and attained his current rank on 31 December of last year.

Born on 8 June 1930 in the Buenos Aires town of Guaminí, he joined the navy in 1947, graduating from the Military Naval School as a midshipman in 1951. He later studied at various training centers, specializing as a naval airman, in operations and in intelligence. He also completed the Command and Staff programs at the Naval War School and the antisubversive war program in the United States.

He also taught air operations and air defense theory and tactics at the Naval War School.

Rear Adm Moya has served in various operational units, schools and agencies. He has served as commander of 1st Naval Air Force, commander of the Staff of the Naval Air Command, commander of the Naval Air Task Group and director of the State Intelligence Secretariat.

He has also held overseas posts, such as in the Argentine Naval Attaché's Office in Great Britain and on the Argentine Naval Commission in the United States.

#### Brig Gen Raul J. Ortiz

Brig Gen Raul Jose Ortiz is married and has three children and five grandchildren. He was born in Río Cuarto, Córdoba and entered the General San Martín Military School in March 1942, receiving his degree and graduating as a reserve second lieutenant in December 1946. Two years later he graduated from the Military College of the Nation as a cavalry second lieutenant.

His first assignment was the 6th Regiment of the branch in Concordia. In 1951, as a lieutenant, he began the master of horsemanship program at the Military School in Campo de Mayo and was later assigned on a commission to its counterpart institute in Mexico. He was a member of the Argentine equestrian team at the Helsinki Olympics in 1952.

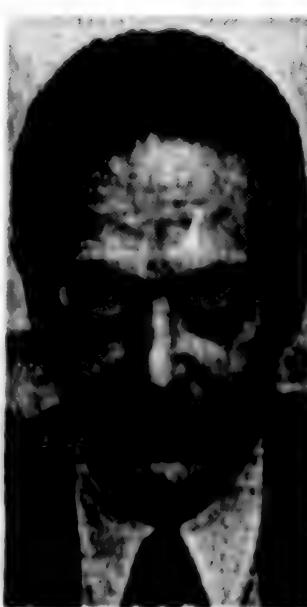
He attended the Superior War School in 1957 and 1958 and from 1960 to 1968 served in the garrisons at Río Gallegos, Curuzú, Cuatia, Concordia, Bahía Blanca and Campo de Mayo, transferring to Azul in 1969.

As a colonel, he completed the superior strategy course and then served at the Operations Headquarters of the Army General Staff, at the secretariat of the Chief Command (as head of Human Relations) and on the staff of the 2nd Armored Cavalry Brigade stationed in Paraná, where he was second in command and then commander in 1977.

He was promoted to brigade general in December 1978 and was appointed commander of the Santa Cruz Group. In 1980 he served as undersecretary general of the army.



Norberto Coute



Amadeo Frigoll



Carlos García Martínez



Carlos Alberto Lacoste



Horacio Tomás Liendo



Eduardo Oxenford



Julio César Porcile



Lorenzo Sigaut



Diego Urricarlet



Jorge Aguado



Amílcar Argüelles



Carlos Beruvera



Oscar Camacho



Carlos A. Martínez



Santiago L. Márquez



José Mire



Roberto Moya



Raúl Ortiz

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## GOVERNMENT IMPOSES CONTROLS ON UNIVERSITIES

PY301730 Paris AFP in Spanish 2036 GMT 28 Mar 81

(Excerpts) La Paz, 28 Mar (APP)--Commentators stated here today that the 500-percent increase in the university registration fee, which has been suggested by the National Bolivian University Reconstruction Commission (CONRUB), has created unrest and surprise among the students and will greatly reduce the possibilities of large sectors of the population to continue higher studies.

The CONRUB, created by the military government, which closed down all academic centers on 17 July 1980 released the new university project which provides for the elimination of the joint teacher staff-students administration and the limiting of administrative, academic and management autonomy.

This means, first of all, that the central government will appoint university authorities directly and will do away with the university board [clauso universitario] which was in charge of electing authorities at career, faculty and university levels.

The university students opined that the university autonomy and joint administration were overturned due to the students' struggle to obtain a free house of studies without government restrictions.

Those mechanisms allowed the university to administrate its own funds and to plan its academic activities and social expansion based on decisions jointly agreed on by the teachers and students.

The creation of a guarantee, savings and registration fees fund, and the payment every 6 months of fees to be able to continue a career and become a professional are innovations of the new project.

Until last July the university registration fee, which was paid every 6 months, amounted to 250 Bolivian pesos (\$10). Now the registration fee has increased to 1,250 Bolivian pesos (\$50).

The savings and guarantee contributions will be returned to those students who achieve a career but not to those who do not.

When the president of the republic, Gen Luis Garcia Meza, was submitted the CONRUB project on 25 March he pointed out that the armed forces will not allow political interference in the universities so that their objectives may be attained.

He said that no teacher or student will be able to carry out those political activities which are being eliminated from the universities.

The project suggests doing away with 32 career specialties. There will only be four fields of study, seven faculties and five specialties which will be distributed among the eight state universities and two private universities (which belong to the Catholic Church) which exist in the country.

In 1979, 50,000 students registered in the universities. Approximately 20,000 undergraduates try to enroll in universities every year. This year the number had doubled due to the 1 year interruption in university activities.

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## FOREIGN MINISTER'S SPEECH ON PRIORITIES DISCUSSED

La Paz EL DIARIO in Spanish 10 Mar 81 p 2

[Article by Arturo Vilela]

[Text] It is undoubtedly the case that, as governmental realignments are made in the country, changes are introduced, some beneficial and others unproductive. From this combination of circumstances and reasons, it follows that, when a new political phase is launched, it is customary for foreign policy schemes that promise a great deal or imprecise and nebulous formulas for handling the problems involved, the reality of which every new government that begins its term of office in the nation must absolutely face up to, to crop up.

When Foreign Affairs Minister Dr Mario Bolon Anaya was sworn in for his high office, he explicitly noted that in the field of the nation's international policy there are "clear objectives" that have to be pursued in this second phase during which the new Cabinet's activities are to begin. "We are concerned with overcoming the unjust isolation that has been imposed on the country, more groundless now than ever" was one of the most categoric statements he made in the speech he delivered on his assumption of office, in which he [further] said: "Bolivia has had and still has a tradition of peace and respectful observance of international agreements, but also of other sources of international law," as the United Nations Charter specifies.

This statement, along with that other one according to which Bolivia's basic geopolitical function is to serve as a nexus of equilibrium and coordination for relations on the continent, supports a proper position for the period the country is now going through as well as for its future, one which no international policy of ours can fail to consider. The foreign affairs minister also said that the principles of international law and foreign policy formulated during the previous minister's term of office, such as those pertaining to anticolonialism, nonalignment, solidarity with dependent countries and adhesion to the universal declaration of human rights, would form an important part of the foreign policy his office would pursue.

Worthy of particular mention was his critical reference to the improper function certain processes of subregional integration — like the Cartagena Treaty — have recently been performing by detracting from their nature as specific economic integration organizations in favor of another kind, one of acknowledged political interference in the internal affairs of their own member states. An unusual attitude, to be sure, which invalidates the essence of their goals and which should be corrected in short order for the good of not only Bolivia, but all those involved in the process.

In fact, the minister of foreign affairs maintained that "we are in favor of integration as a means of development and of liberation of our peoples and not as a circumstantial instrument, one less dominated by interventionist policy."

These and other statements are deserving of special and detailed comment, dealing as they do with substantive issues which have to do with Bolivian foreign policy as a whole and whose resolution should be governed by an overall plan, delineated in terms of specifically programmed points, as well as by a strategy of specific actions to be carried out in each of the domains of this international policy. A plan, we say, that is based on our provisions for defense and respect for the nation's territorial sovereignty as well as on its image abroad, a plan that will plot and set in motion the geopolitical function and that of national integration, which will play an important role in the different regions of our vast land, a plan that will assign priority status to the problems associated with our geographic confinement and to the most appropriate policies, which may lead to their rapid solution. Worth mentioning is a consideration of the overall action that Bolivia should pursue in terms of the physical integration involved in the essential links which Bolivia will have to consolidate with regard to roads and communications.

In short, a plan that will cover the chief subtopics of the national action relating to its foreign policy, that policy having to do with economic and commercial exchanges as well as the promotion of the country's development through agreements on financial and technological assistance, for the present one of the nation's priority needs. When all is said and done, a policy designed to promote productive relations, especially with our neighboring countries, and secondly with those of the continent's subregional and regional areas, and lastly another policy that will guarantee our presence and participation on the contemporary world scene, inside its vast and complex mainstream.

Aside from all this — and it is promising to note the fact — a ministerial announcement of a systematic reform of the nation's Foreign Service was included in the speech we are commenting on, a reform that is, moreover, necessary, given the fact that a well-directed foreign policy cannot do without an organic structure designed with an eye to permanence in the form of a new Foreign Service law — which in that event would have the status of both an executive decree and a regulation — that establishes the basic guidelines for the functions of the various departments, sections and services of the Ministry of Foreign Affairs as well as the specific tasks the country's diplomatic and consular missions should perform. "I am very concerned," Dr. Rolon Anaya said, "over, for example, the strengthening of a Foreign Service law and the need for applying ever more refined and efficient specialized principles to the Foreign Service." An appropriate statement inasmuch as it suggests that we have to rely on highly qualified human resources, personnel knowledgeable in the practices of international law and international relations and who can perform the many and delicate tasks that such an important public service demands.

And we leave unsaid the fitting comment the latest important statements recently made by the foreign minister with regard to readjustments of installations required in the Ministry of Foreign Affairs offices and services deserve, promising to report on them as well as on the emergency requirements that will improve Bolivia's image abroad.

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## FOREIGN NATIONS OFFER SUPPORT, AID

## Egypt Supports Sea Outlet

La Paz HOY in Spanish 25 Feb 81 p 8

[Text] "Egypt supports Bolivia's deserved, legitimate right to have an outlet to the sea," the new ambassador from that country, Medhat Tewfik, stated yesterday after presenting his credentials to the president of the republic at the Government Palace.

The diplomat spoke with Gen Luis Garcia Meza in the Hall of Mirrors during a formal ceremony marking his arrival in Bolivia. Also present at the ceremony was the acting minister of foreign affairs, Col Luis Arce Gomez.

He indicated that his term of service will be devoted to creating even closer relations between the two countries within the framework of the Movement of Non-aligned Countries.

"I am extremely pleased to be able to convey Egypt's wishes for peace and human brotherhood to our friends, the great people of Bolivia," he declared in a document released to the press.

Concerning international politics, he said that his government promoted, and will continue promoting, the spirit of the Camp David accords. He also noted that President Sadat said that these documents are not "definitive, but rather a framework that we can utilize to obtain the basic steps needed to achieve complete autonomy for the Palestinians."

He stressed that Egypt is the standard-bearer of the Palestinian cause and that it will not abandon its brothers.

"President Sadat is constantly making efforts to insure a lasting, just peace. There will not be a separate peace, but rather an overall one with respect to Arab and Palestinian territories, with Arab Jerusalem at the head," he said. He commented that Egypt welcomes all initiatives from Europe or from Latin America.

In his statement for the press, he emphasized that relations between Bolivia and Egypt have always been friendly and that they reflect cooperation in the international sphere.

He also referred to a joint declaration signed by its minister of foreign affairs and the Bolivian assistant secretary general of foreign affairs, Federico Joffre, in Cairo. The declaration affirms the importance of strengthening bilateral relations in all spheres, particularly in technical, economic and cultural areas.

"In conclusion," he went on, "I want to state that I will do everything within my power to insure that relations between our two countries continue to reflect cooperation and sincere friendship."

#### Egyptian-Bolivian Agreement Signed

La Paz HOY in Spanish 25 Feb 81 p 9

[Text] The governments of Bolivia and of the Arab Republic of Egypt have decided to strengthen their relations, particularly in the technical, economic and cultural spheres, by means of a joint declaration signed on 17 February in Cairo.

The instrument was signed by that country's minister of state for foreign affairs, Butrus Ghali, and the Bolivian assistant secretary of foreign affairs, Joffre Chavez, at the conclusion of a round of talks that took place "in a very cordial, constructive atmosphere."

According to the joint declaration, released to the press yesterday by the Egyptian ambassador in La Paz, Assistant Secretary Joffre spoke of Bolivia's present situation and of the efforts being made by the government to rebuild the country's economy. He stated that social peace has been achieved, and he indicated that the form of a political system "that is capable of sustaining genuine democracy" is being studied.

"He explained that it would have to be a system that works for the true interests of the Bolivian people, in accordance with their true cultural values." [Quotation marks as published]

In the conversation between the two officials, Joffre reiterated the government's support "for President Sadat's efforts to insure an overall peace in the Middle East." He also said that the peace "not only concerns the countries in the region, but also all the countries in the world."

They reiterated their governments' policy "of upholding the principles of international law, particularly the right to self-determination, equality of sovereignty, territorial integrity, noninterference in the internal affairs of states, the right of each country to choose its economic, social and political systems, and the eschewing of force in the resolution of differences among countries."

They expressed their government's concern about the arms race and stressed the need to find a peaceful solution that will ensure Afghanistan's sovereignty. They also issued a call for a peaceful solution to the war between Iraq and Iran.

Moreover, Joffre spoke of his concern about Libya's intervention in Chad, expressing a wish for a prompt peaceful solution that will serve the interests of its people.

They agreed to coordinate their diplomatic efforts to insure the existence of a true, genuine Movement of Nonaligned Countries. Concerning this, Joffre noted that Bolivia is opposed to any effort to remove, suspend, expel or in any other way exclude any member of the Movement of Nonaligned Countries, especially when that member is a founder of the movement.

They agreed upon the importance of the establishment of a dialogue between "the South and North" to strengthen the negotiating position of the South with respect to the North and to establish an international order that necessarily includes discussion of social and economic issues.

In the document, the assistant secretary invited the Egyptian minister to visit Bolivia and the latter, in turn, extended an invitation to the Bolivian foreign minister to visit Egypt.

#### Japan To Finance Hospital

La Paz PRESENCIA in Spanish 1 Mar 81 p 4

[Text] Santa Cruz, 28 Feb (PRESENCIA)--Through its embassy in our country, Japan has confirmed its commitment to construct a 250-bed hospital in this city, to include the equipment and facilities needed for its operation.

Jorge Olivares, assistant secretary of the Ministry of Health, stated that he will meet with officials in the region to discuss the plans for this hospital, which will be built as soon as possible. He indicated that the plans and cost estimates must be sent to Japan for approval.

Health officials in the district plan to ask that the hospital to be built and donated by the imperial government of Japan be a hospital for children because the present children's hospital has limited facilities, and the number of patients is growing because of the population increase.

#### Other Activities

Olivares indicated that he will take advantage of his visit to this city to receive documentation concerning the equipping of four other hospitals that the government is to build.

He also announced that the Insurance Fund is seeking to rent or lease a large building with at least ten rooms for a new polyclinic "so that it will be possible to deal with the thousands of insured people under better conditions."

He is to receive the report from the Health Unit concerning the new phase of the immunization campaign, which will begin in this city next week.

He also has met with representatives of the National Institute for Communicable Diseases. The director, Jose Salvatierra, indicated that to carry out the new immunization phase, at least 40 more stations will be set up. Immunization will be against poliomyelitis and yellow fever.

## Technical Cooperation Facts with France

La Paz PRESENCIA in Spanish 25 Feb 81 p 9

[Text] The French Government is interested in carrying out the technical and scientific cooperation agreements that have been signed with the Bolivian Government.

The commercial attache at the French Embassy in Bolivia, Jean Michel Poupard, revealed this intention to the Ministry of Energy and Hydrocarbons when visiting that government agency yesterday.

The information is found in a bulletin published by the Public Relations Office of the Ministry of Energy and Hydrocarbons.

It says that during the French official's visit, an announcement was made of the arrival of several technicians from that country to analyze studies performed in Bolivia concerning the utilization of geothermal energy.

He also offered a scholarship enabling a Bolivian professional to participate in a course given in France on "gas-distribution networks" sponsored by the French Agency for Technical, Industrial and Economic Cooperation (ACTIM).

"The energy minister, Frigate Capt Lider Sossa, described as promising the French interest in actively taking part in the development of the country; and he said that it is being demonstrated by French firms' constant participation in bidding on projects under consideration by the Bolivian Government, such as the San Jacinto Multiple Project and the construction of the gas pipeline to the Altiplano," it reported.

Finally, Minister Sossa said "he does not discount the possibility that firms from that country will come to Bolivia to explore for oil deposits, contributing risk capital."

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## PAPER EXAMINES DETERIORATION OF ANDEAN PACT

La Paz EL DIARIO in Spanish 23 Feb 81 p 2

[Text] A report emanating from Caracas--the customary headquarters of the Andean Group--has indicated that the subregional pact is experiencing a genuine crisis, or it simply "is a victim of an international campaign designed to discredit it." The remark was made by a high Venezuelan official, and, for that reason alone, some considerations regarding such views and others disseminated internationally are worthwhile.

The Andean Pact, which was created with the best intentions--with the idea of achieving development of the region "in a harmonious, balanced manner"--quickly deteriorated because of the marked politicization it underwent recently. All went well as long as its members devoted their efforts to seeking ways to carry out the Cartagena Agreement to its fullest extent. However, when some of its members experienced political changes, the steps taken and the desire to determine what sort of regime a certain country should have naturally led to schisms that still exist today. Furthermore, the conflict that arose between Peru and Ecuador, two members of the group, aggravated the situation. A quick, honest survey at this moment reveals that the Andean Pact has only two countries without problems--Venezuela and Colombia--for the others, to one extent or another, have reservations about the Cartagena Agreement.

The opinions expressed in Caracas also indicate that it is believed there that the Andean Pact is being subjected to an international campaign intended to create a climate of uncertainty regarding the agreements, and that although the subregion has problems, the existing pacts are entirely valid and thus will not be altered. These views provide grist for further analysis.

As things stand within the Andean Pact, it is highly unlikely that there is sufficient political power to require fulfillment of all the agreements existing at present. As long as the members of an organization--which the Pact is--sustain marked differences or disputes, as in the case of Peru and Ecuador, or as in that of Bolivia, which often has been criticized by some of the members, it is unlikely that the agreements will be fulfilled. There is another important comment: that "there is a desire to discredit the agreement because it is much easier to negotiate with a divided Latin America." That is probably true, primarily because a lack of unity in any sphere results in less advantageous treatment in a given matter by other governments.

It is necessary, though, to probe deeply to establish the causes of this weakening of the Cartagena Agreement. At root, they are the political comings and goings and the attempts to interfere in the internal affairs of a given country. If the members of the Cartagena Agreement had adhered to a policy that was clear and definitely intended to fulfill exclusively the original objectives of the creation of the Pact, rest assured that the Andean Pact would now manifest great solidarity, and no campaign, however vigorous it might be, would have succeeded in weakening it. Things happened otherwise, though. Some American leaders are attempting to dictate their neighbors' and associates' rules for living; others are trying to take advantage of the tool of integration; and more than one is adopting paternalistic poses that do not belong to the present era. All this has severely harmed the Cartagena Agreement.

The foundation, the chief substructure of the Cartagena Agreement, is good and necessary for genuine development of the region. There is still time for a change of attitude, for reorganization of the agreement, for clarification of its functions, and for starting the movement for integration along the proper road. If we proceed in this manner, with sincerity and mutual respect, we will probably manage to restore the prestige and security of something that concerns a significant portion of the continent.

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## CONTRADICTIONS WITHIN NONALIGNED MOVEMENT REVIEWED

La Paz EL DIARIO in Spanish 6 Mar 81 p 2

[Editorial: "The Nonaligned"]

[Text] The ideological conflict that has been most marked since World War II began by creating subsidiary organizations and lines of thought. The two great worldwide movements, communism and anticomunism, made an effort to attract large groups of people who did not share such extreme positions. Within the two spheres, groups also broke off that, while adhering to the mother ideology, offered different interpretations of it or, at least, practiced different means of fighting to achieve their objectives. Thus, by now the ideological panorama has become confused, opportunism being the salient feature, and the desire to lead creates further schisms which in turn add to the confusion.

As in all matters, the original idea of establishing an organization of nonaligned countries sprang from a sincere view of genuine needs. It is assumed that this sphere of the ideological struggle should include those who do not support or agree with either of the two great worldwide ideologies. They are essentially countries with a nationalist credo, with underdeveloped economic structures and with a determination to emerge from that situation without joining the communists or becoming appendages of the capitalists. That is the view of those who are not playing with marked cards, with concealed intentions. However, such a thing actually is not occurring, and the chief indication of that was when Havana, the capital of American communism, was the site of one of the meetings of the nonaligned countries. There, that country's leader, an admitted Marxist-Leninist, delivered a speech that left no room for doubt; but, inexplicably, the leaders of genuinely nonaligned nations chose to maintain a collusive silence and allow other nations, openly committed to communism, to join this organization. It is impossible to understand how, under any interpretation, a self-proclaimed communist or socialist country can be considered */nonaligned/* [in boldface]. It is somewhat similar to an effort by a country with obvious capitalist structures to be in that position and a part of a group whose objectives, at least on paper, are very clear. This is one of the major contradictions that deprive the organization of significance and effectiveness. Only a definite purification, entailing the appropriate pointing of fingers, can restore it to its initial position, whereby it says without reservations that a country is */nonaligned/* [in boldface].

Be that as it may, in New Delhi 95 representatives of countries considered nonaligned have met. There was no agenda, but it is obvious that the world's most burning issues were discussed, such issues as the conflicts that have arisen between Iran and Iraq, the role played in them by the great world powers, and the approach

to be taken to such events. The major point, though, the one that should most deeply interest the nonaligned countries, is the economic order, the underlying factor governing the existence of great differences among nations, the hindrance to the leap from underdevelopment to progress. Several times a call was issued for the creation of a new economic order that would essentially involve fair compensation to countries producing raw materials and much more consistent conduct on the part of nations selling consumer goods.

Given the liabilities indicated, and the urgent need to reorganize the nonaligned countries, these countries have a primary task of finding suitable formulas for narrowing the wide gap separating them from the world's most powerful countries and for emerging from their unacceptable state of underdevelopment in an era marked by the most notable technical and scientific advances in the history of mankind.

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## FIRST QUARTER ECONOMIC ACTIVITY SIGNALS NEGATIVE OUTLOOK

La Paz PRESENCIA in Spanish 25 Feb 81 p 9

[Text] According to studies of the economic situation in the manufacturing, commerce, import, construction and mining industries made by the Central Bank of Bolivia's National Accounts Unit, the outlook for economic activity as a whole for the first quarter of 1981 does not appear to be very favorable.

During this first quarter there will be rises in the prices of goods linked with the domestic demand such as we have not seen in any other quarter, "which, in the short run, will mean a step-up in the process of inflation that began during the last administration," according to the report.

"The recoveries that were anticipated in terms of production, sales and employment are of minimal significance. According to the opinion of businessmen, for the first 3 months the economic situation will in general continue its negative trend. On the basis of what has just been said, we deduce that the recessional trend will in future persist," they note in stating the results of these studies.

## Prospects by Sector

The trade situation is expected to improve at the level of the various sectors since all quantifiable variables show positive net balances, according to the results of Central Bank of Bolivia studies of the economic situation.

Opinions regarding future activity in the construction industry "are once again pessimistic and declines in production activity and the number of employed personnel are anticipated."

Although relative improvement in terms of production, sales and employment is predicted, industrial and medium-scale mining activities will continue to face problems, particularly as concerns prices. Furthermore, the increases that are expected will be jeopardized by the rise in production costs (expenditures), thus reducing demand in the industrial sector and giving rise to stagnation in terms of activity.

"Also, the declining trend observed in international prices of minerals will again generate unfavorable conditions for marketing them," according to the report.

## Manufacturing Industry

The tendency toward stagnation that is appearing in the manufacturing industry is evident in the predictions businessmen have made for the first quarter of this year, as the Central Bank report explains.

"According to the predictions, a persistent rise in prices is generally expected, without increases in production volume and employed manpower. However, in terms of subnormal activity, this situation displays different degrees," they state in the results of these studies.

They add that the food, leather, chemicals, basic metals and metal products industries expect rises in production and employed personnel, which will come about as a result of the rise in prices.

In the lumber, printing and editorial, plastics and rubber products and nonmetallic minerals products industries, opinions are very pessimistic in terms of production, sales, employed personnel and the anticipated economic situation.

## Import Trade

According to opinions that appear in the Central Bank study, businessmen feel that there will be a process of recovery in this sector's activity during the first quarter of 1981. Expectations in terms of the economic situation, import volume, sales and employed personnel are optimistic since all these areas show positive net balances.

As far as prices are concerned, significant rises are expected in comparison with those that occurred during the last quarter of 1980. They believe that this will lead to a decline in sales and an increase in the amount of stocks on hand in the import trade.

## Business Construction

No signs of recovery have been detected for the business construction sector during the first quarter of 1981. Opinions on the economic situation these firms find themselves in continue to be pessimistic.

According to the studies, over approximately two-thirds of the establishments currently operating have a guarantee of work for only 3 months. "It is important to note that in 1980 some businesses declared themselves bankrupt and during the last quarter many of them had to temporarily cease operations," according to the report.

## Medium-Scale Mining

Opinions obtained in the course of the studies in the medium-scale mining sector agree in noting a recovery in the areas of production and sales. Nevertheless, 74.3 percent of all businessmen feel that there will be declines in international prices of minerals which will no affect the economic situation of these firms as a whole that they may show no signs of recovery.

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## ROLON ANAYA REINSTATES STATE OF LAW

La Paz PRESENCIA in Spanish 6 Mar 81 pp 1, 13

[Text] Minister of Foreign Affairs Mario Rolon Anaya has announced that the national reconstruction government has reiterated its firm decision that a state of law prevails in the country in accordance with the Constitution and the nation's laws. He made this announcement yesterday at the close of the Cabinet meeting which lasted 5 hours.

On that occasion he said that the guarantees recognized in the Constitution would be respected and, consequently, human rights and the dignity of individuals would be preserved. He also said that the judiciary would perform its mission, including those cases involving narcotics violations, without outside interference and as an independent and autonomous organ of the state.

In the statements he made, he referred to the working plan he had presented at the Cabinet meeting yesterday, designed, according to what he said, to energize the Foreign Service and endow it with the prestige due it so that it may gain respect in the world and preserve our national interests.

He summarized the working plan in terms of the following points:

Immediate and efficient internal organization of the Foreign Service.

Attention to problems involving Ministry of Foreign Affairs installations.

Determination of a program that will make the bases for Bolivian foreign policy more effective.

A plan to improve the country's image, which has been damaged due to the political events of the past year.

He referred to the normalization of relations with other countries and announced that the Ministry of Foreign Affairs has entered into negotiations in that direction in America as well as in Europe, at the same time pointing out that his office is interested in promoting relations with those countries in the socialist orbit with which we have bilateral agreements. Several of these countries have already normalized such relations.

And lastly, he spoke of relations between the state and the church, saying that the undersecretary of religion had received specific instructions to present a "coordination and collaboration" plan for the purpose of achieving a clear understanding.

## UNDERSECRETARIAT FOR MARITIME INTERESTS UNDER STUDY

La Paz EL DIARIO in Spanish 10 Mar 81 p 5

[Text] A document containing the study for and draft of statutes and regulations for the creation of the Undersecretariat of Maritime, Fluvial and Lacustrine Interests was delivered to Minister of Defense Gen Armando Reyes Villa and Commander of the Bolivian Navy Vice Admiral Ramiro Terrazas yesterday.

The chairman of the appropriate committee, Rear Admiral Rene Torres Saavedra, was charged with delivering the documents.

In a report he presented, the chairman said that, as a result of the work that had been accomplished, several documents had been drafted, among them: the statute that will govern the undersecretariat's institutional operations; a description of the functions of the agency and its general administrative staffs; a table of organization structured to include levels of decision-making, consultation and administrative, regulating, operational and decentralized supporting staff; and finally the budget for financing operations in 1981, which was drawn up taking into account the instructions and formalities required by the Ministries of Finance and Defense.

Regarding this last point, it was made clear that the table of organization's strictly necessary and priority functions were taken into account and that they must actively figure in the present administration, leaving for a later one operation of the General Administration of Maritime Resources.

#### Suggestions

Later on Rear Admiral Torres made several suggestions concerning the following points:

1. One of the first jobs the undersecretariat has to perform must be the drafting of a set of internal regulations that will govern the functions of all its departments, using the statute and description of functions as a frame of reference.
2. In this country there is a desire to create a national authority that would administer water resources in terms of planning, administration and protection. In connection with this, the study on this matter prepared by engineer Antonio Bazoberry has been recommended.
3. Before it is passed, the General Water Law should be submitted to the undersecretariat for consideration and revision.

4. National and international projects for the utilization of water resources and their follow-up and execution must constitute one of the new agency's priority tasks.
5. It is recommended that the Hydrology Department of the Ministry of Aeronautics' National Meteorology and Hydrology Service be transferred to the undersecretariat.
6. There must be coordination and a permanent relation between the Naval Hydrography Service and the General Administration of Harbor Masters, both departments of the Bolivian Navy High Command, and the Undersecretariat of Maritime, Fluvial and Lacustrine Interests.
7. As a priority recommendation, it is suggested that appropriate legal action be taken to assign two stories (the fifth and sixth) of the COPADEMA [Armed Forces National Development Corporation] Building to the undersecretariat.
8. The procedures to be followed in approving the budget should be handled swiftly.
9. The Bolivian Navy High Command should set up a commission as quickly as possible to recruit, select and hire the qualified personnel that should comprise the undersecretariat.

Once the list of suggestions was formulated, the Ministry of Defense, the commanding general of the Bolivian Navy and the Navy General Staff received a more detailed exposition of the new agency that is to be created.

Vice Admiral Ramiro Terrazas said that President Luis García Meza would like to see the new undersecretariat in operation by the coming 23 March.

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## WORKERS PARTY LEADER DISCUSSES NEED FOR MASS MOVEMENT

10020807 Rome L'UNITA in Italian 27 Mar 81 p 15

[Undated interview in Rome with Brazilian Workers Party Chairman Luis Inacio da Silva by Armelino Milani: "What It Is Like To Lead Workers Struggles in Brazil Today"]

[Text] [Question] What is the present role of the Brazilian trade union movement?

[Answer] There are about 7,500 trade unions in Brazil, but unfortunately only a minority of trade unions are helping the workers to organize and fight for a more equitable society. Present labor legislation is inspired by the notorious Italian fascist "Labor Charter" and was drawn up with a view to subjugating the workers. The majority of trade union leaders therefore encounter huge difficulties in conducting action in defense of the workers' rights and to satisfy their needs. Very often, either because of real obstacles or often out of opportunism, they merely do welfare work (assistencialismo).

[Question] You and some other workers party comrades have recently visited several European countries, including Italy. What is your assessment of the trip?

[Answer] Very positive. Not only because we gained a better acquaintance of the European leaders' trade union and political experiences, but also because we were able to explain that the present Brazilian regime's famous "openness" has nothing in common with democracy and is simply a form of the same old military regime established in 1964—an attempt to perpetuate the policy of restricting political freedoms and exploiting millions of workers. The visit and the contacts and friendly relations that we have established with the leaders of several trade union federations and political parties highlight something that I consider fundamental for the Brazilian workers: the broad international solidarity constantly shown toward us.

[Question] Apart from being a trade union leader, you are also chairman of the Workers Party. We would, therefore, like to know about the party's ideological stance, its political blueprint and its relations with the trade unions and other leftwing forces.

[Answer] It is not easy to give a complete answer in a few words. First it must be borne in mind that the need to build a new party that would truly represent the workers' interests and led by the workers themselves has emerged in the minds of trade unionists and workers over the past 2-3 years, with the resurgence of the trade union movement. A major sector of the working class, the most aware sector, realize that it is not enough to earn a few extra cruzeiros, which are immediately eaten up by the galloping inflation, which has reached 113 percent in Brazil, but that there is an increasingly pressing need for a political commitment to modify the foundations of this social system. Our party did not emerge with a ready-formed ideology formulated round a table by a few intellectuals. On the contrary, it gained its first members in the thick of the trade union and people's struggles which from 1975 on began to shake the foundations of the dictatorship.

As a party, we have made every effort to be represented in every one of these movements and have frequently been the driving force behind them. While safeguarding our specific identity as a political force, we have acted with a strong unitary approach, making unity an important aspect in building mass initiatives and organizations. We do not believe that it is now necessary to proceed from a rigid ideological homogeneity to achieve our own objectives, principally because in practice such ideological homogeneity does not exist among the masses, the workers and the people. The Workers Party gives political unity--as expressed in its program and its rules--and seeks unity of political action, in the knowledge that it can embrace differing ideological opinions, all committed to a common denominator: the workers' political involvement in the battle to transform the structures of Brazilian society. How and when this transformation takes place will depend on the balance of forces and on what conditions the struggle of the working class and people's masses manages to create.

[Question] What relations do you have with the communists and other Brazilian leftwing forces?

[Answer] The Workers Party has great esteem for the past struggle, self-sacrifice and even heroism of the communist, socialist and leftwing combatants. It recognizes their spirit of sacrifice on behalf of the Brazilian workers' cause and pays homage to all those who have spent years in prison or in exile or who died under torture or who were assassinated. But our party believes that the Brazilian left, including the communists, has committed errors, which is obviously a risk from which nobody can consider himself immune. The most serious of these errors was to have moved away from the masses and the workers at certain times and to have made political action something to be conducted by the few. Of course, clandestinity played an important part in causing this error, but it is not enough to justify it. Politics comes into the worker's home and life every day in the form of living costs, poverty, hunger, sickness, children who cannot attend school, the bullying boss, the trade union under military occupation, the policeman who arrests, beats up and kills--factors spreading delinquency and corruption and denying people time for rest, culture and leisure. So it is the worker--the "povo," as we say in the São Paulo industrial region--who must be won over to political action. He must conduct it directly and not through some representative. The workers party, without being tied by formal agreements with leftwing organizations, communist or otherwise, is open to dialogue with everyone who wants to commit himself to the joint struggle to change this system, to build democracy in our country and if possible to set it on the path to socialism.

## FEBRUARY INFLATION OF 8.5 PERCENT IS HIGHEST SINCE 1964

Rio de Janeiro JORNAL DO BRASIL in Portuguese 11 Mar 81 p 17

[Text] Inflation for the month of February was 8.5 percent and the cumulative rate for the latest 12 months was 119.5 percent. The previous records were the monthly inflation of July 1980 (8.4 percent) and the cumulative rate from November 1979 to November 1980 of 113 percent. The February inflation is much higher than that of January, which was 6.6 percent.

Easing of price controls and wage adjustments in the civil construction industry were the major reasons for this rise in February inflation, according to the FGV (Getulio Vargas Foundation). Relaxation of price controls, representing "a new wave of corrective inflation," according to the foundation, was reflected in the Wholesale Price Index, which rose 8.2 percent, compared to 6.1 percent in January. The new wage floors in civil construction pushed the Construction Cost Index up 14.5 percent.

#### Higher Consumer Prices

The Getulio Vargas Foundation inflation rate (General Price Index [IGP]) for February is much higher than the INPC (National Consumer Price Index) rate of the IBGE [Brazilian Institute of Geography and Statistics] for the same month, which was 5.2 percent. The FGV's Consumer Price Index for the City of Rio de Janeiro [IPC/RJ], which represents 30 percent of the General Price Index, hit 7.1 percent in February, also surpassing the INPC of the IBGE. The cumulative INPC increase during the last 12 months was 97.8 percent, close to the cumulative IPC/RJ rate of 99.3 percent.

Higher prices for food products were most responsible for the rise in the February Rio de Janeiro Consumer Price Index. The average increase for the food group was 9.6 percent. Prices of personal services, which rose 8.2 percent on the average, also influenced the IPC/RJ strongly, which, however, was lower than in January (8.4 percent) and December (8.2 percent).

According to the FGV, the 20 products that "explain" 46 percent of the rise for food products during February were: French bread, dough, instant coffee, eggs, soybean oil, "inside" tea, refined sugar, rump roast, fresh milk, duckling, chickens, black beans, carrots, cabbage, string beans, restaurant coffee, filet, liver, "pear" oranges and red pepper.

The IPA (Wholesale Price Index) February rise of 8.2 percent again surpassed the IPC/RJ, after having been lower than the latter for 2 straight months. The IPA, which represents 60 percent of computed inflation, rose 6.1 percent in January, compared to 8.4 percent for the IPC/RJ. The IPA has risen 128.6 percent in the last 12 months, above the increase for inflation during the period.

The foundation listed the 20 major products responsible for over two-thirds (67.2 percent) of wholesale price increases in February: soybeans (15 percent), crude petroleum (8.4 percent), gasoline (4.1 percent), corn, milk, diesel fuel, eggs, oranges, 200 to 1000-millimeter cold-rolled plate and coil, roasted and ground coffee, big trucks, cigarettes, cigars and cigarillos, lubricating oils, electrolytic tinplate, sawn or cut lumber, fuel oil, thick plate, pineapples, insulated copper cable wire.

The Civil Construction Cost Index for the City of Rio de Janeiro, which has a weight of 10 percent in computing the IGP, increased 14.9 percent in February, explained mainly by wage increases resulting from the 23 January labor settlement, which varied from 26 percent for carpenters to 41 percent for parquet layers in the 16 occupational categories covered by the index. Labor costs increased 31.2 percent in February, while prices of construction materials increased 4.6 percent. In January the Civil Construction Cost Index rose 4.5 percent.

"It is very risky to try and make any kind of prediction about the course of inflation. I didn't do this even when I was finance minister and had the knife and the cheese in my hand; imagine how it is now, when I no longer have either the knife or the cheese," former Finance Minister Mario Henrique Simonsen said yesterday. He said the 8.5 percent inflation rate in February "was not surprising, although not exactly what I had expected."

However, the former finance minister acknowledges that "as long as current measures of monetary policy are followed, there could be a drop in the rate of inflation. Meanwhile, the policy for combating inflation is not an aspirin that is taken and has immediate effect."

Mr Mario Henrique Simonsen remarked that, at first glance, the results of the IBGE--an INPC of 5.2 percent for February--and of the FGV--a Rio de Janeiro Consumer Price Index of 7.1 percent--may seem to show a discrepancy. The cumulative rates for the last 12 months for the INPC (97.8 percent) and the FGV Consumer Price Index (99.3 percent), however, are quite close. Simonsen also said that part of the difference between the two indices can be explained by the fact that the INPC is a national index and the FGV computes its consumer price index only in Rio de Janeiro.

In Brasilia, meanwhile, the special secretary for supply and prices, Carlos Viacava, said yesterday that the National Consumer Price Index (INPC) for February--5.2 percent--was more representative of inflation than the General Price Index (IGP) of the same month, 8.5 percent.

"The IBGE index is a national one and, covering the nation's 10 largest metropolitan regions, would not necessarily have to be equal to that of the FGV, which is based more specifically on that of Rio de Janeiro," he declared in writing.

This was the only official comment regarding publication of price indices computed by the Getulio Vargas Foundation. Neither Planning Minister Antonio Delfim Netto

nor Finance Minister Ernane Galveas replied to a specific question as to what they thought about the 8.5 percent FGV rate.

"That is up to SEPLAN [Planning Secretariat]," said Minister Galveas, while Minister Delfim Netto transferred the question addressed to him to the Special Secretariat for Supply and Prices.



(7) O IPA de fevereiro foi de 8,2% e voltou a superar o IPC/RJ

Key:

1. The Price Rise
2. Percentage change in 12 months
3. Inflation
4. Cost of Living
5. Wholesale Price Index
6. Monthly Variation
7. The February IPA was 8.2 percent and again exceeded the IPC/RJ

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## UNEMPLOYMENT IN SAO PAULO INDUSTRIES REACHES 10,000

Rio de Janeiro JORNAL DO BRASIL in Portuguese 10 Mar 81 p 18

[Text] Sao Paulo--For the first time since the beginning of the 1970 decade, the index of industrial employment in Greater Sao Paulo fell during January, a month when there normally is an expansion. Compared to December, the decline was 1 percent, which represents 10,000 to 15,000 fewer jobs.

Although not knowing whether the labor was reemployed in commerce or services, the Sao Paulo State Federation of Industries (FIESP) considered the situation "so disturbing" that it will follow the employment level on a weekly basis and report it to the government by telephone.

## Recession

"The time has come to gather the data quickly and send it even more quickly to the government so it can be perfectly aware of what is happening," said Mr Luis Eulalio Bueno Vidigal Filho. "The recession continues to be the number-one concern for the FIESP and I feel it is coming closer every day. Some sectors, such as the railroads, capital goods and automobiles, are already in it."

The report submitted to the entity's board of directors by Mr Luis Eulalio shows that in January only 2 sectors showed an increase in the level of employment: chemicals (0.2 percent) and plastic goods (0.7 percent).

All the others decreased: nonmetallic minerals (-0.6 percent); metallurgy (-0.4 percent); machinery (-1.2 percent); electrical and communications equipment (-2.2 percent); transportation equipment (-0.7 percent); lumber (-4.7 percent); furniture (-3.0 percent); paper and paperboard (-0.7 percent); rubber goods (-0.3 percent); leather, hides and similar products (-5.2 percent); pharmaceutical and medicinal products (-0.7 percent); textiles (-0.9 percent); candles, perfumes and soaps (-0.1 percent); food products and beverages (-0.3 percent); printing and publishing (-2.4 percent); apparel, footwear and cloth goods (-0.7 percent); and miscellaneous (-4.1 percent).

According to Mr Luis Eulalio, these figures show there is a real drop in the level of industrial activity and not merely a reduction in the rate of growth, as the government intended. Sales are falling to such a level that interest rates are no longer the primary concern for the FIESP.

"The demand for money should fall because sales are declining. If the law of supply and demand functions, rates will fall for lack of borrowers."

#### In February

Also according to the FIESP, provisional data for February showed a drop of 0.4 percent in relation to January. The sectors responsible for this decrease were non-metallic minerals (-0.7 percent); metallurgy (-1.0 percent); electrical and communications equipment (-1.4 percent); transportation equipment (-0.7 percent); lumber (-0.2 percent); furniture (-1.3 percent); rubber goods (-0.6 percent); leather, hides and similar goods (-1.3 percent); chemicals (-0.1 percent); pharmaceutical and medicinal products (-0.1 percent); plastic products (-0.3 percent); textiles (-2.0 percent); apparel, footwear and cloth goods (-0.2 percent); and miscellaneous (-0.7 percent).

The industries that increased employment were: machinery (1.4 percent); paper and paperboard (0.7 percent); perfumes, soaps and candles (1.0 percent); food products and beverages (2.1 percent); and printing and publishing (0.6 percent).

Comparing the January 1981 total to that of January 1980, there is an increase of 1.1 percent, although employment was reduced in the following industries: nonmetallic minerals (-0.1 percent); electrical and communications equipment (-1.0 percent); lumber (-1.8 percent); furniture (-6.5 percent); pharmaceutical and medicinal products (-3.2 percent); perfumes, soaps and candles (-3.9 percent); plastic goods (-3.1 percent); textiles (-5.9 percent); and printing and publishing (-3.3 percent).

These losses were offset by increased employment in the following industries: metallurgy (1.9 percent); machinery (3.1 percent); transportation equipment (1.7 percent); paper and paperboard (2.4 percent); rubber goods (6.7 percent); leather, hides and similar products (4.0 percent); chemicals (2.3 percent); apparel, footwear and cloth goods (10.7 percent); food products and beverages (1.1 percent); and miscellaneous (11.4 percent).

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CSO: 3001

## NETTO VISIT TO USSR: TRADE OVERTURES DISCUSSED

## Series of Negotiations Planned

Sao Paulo FOLHA DE SAO PAULO in Portuguese 8 Mar 81 p 33

[Text] Planning Minister Antonio Delfim Netto should be going to Moscow before the middle of this year, probably accompanied by Mines and Energy Minister Cesar Cals. According to diplomatic sources, Delfim's visit to Moscow will conclude the first phase of the plan to strengthen trade with East Europe worked out by Itamarati [Brazilian Foreign Affairs Ministry] in collaboration with several ministers of the economic area.

The Soviet delegation's arrival in Brazil next Tuesday is the first step toward negotiations that should result in a significant increase of bilateral trade. The mission, led by N. I. Zimoviev, head of the Department of the Americas in the USSR Foreign Trade Ministry, will meet with various Brazilian authorities. No agreement will be signed.

Negotiations will continue during the meeting of the Joint Brazil-USSR Commission in April in the Soviet capital. It is intended that more definitive texts of the agreements will be arrived at during that meeting. The agreements will include increased exports of traditional Brazilian goods such as coffee, cocoa, soybeans, manufactured goods, textiles, footwear and home appliances and creation of joint ventures in various sectors.

According to Brazilian diplomatic sources, there is great interest in signing treaties of cooperation in the area of energy, especially hydroelectric power.

## Politics

However, the process of economic exchange between Brazil and the countries of East Europe goes beyond mere economic and financial objectives. It is, in fact, the route chosen by the Brazilian government to encourage political exchange. So much so that the Foreign Affairs Ministry has not yet decided who will head the Brazilian delegation in the joint commission.

There is no possibility of its being Foreign Affairs Minister Saraiva Guerreiro. Saraiva Guerreiro's presence in Moscow, before closing negotiations for the trade "package" now being studied would have a political significance that is not yet appropriate. It could be the planning minister himself. Although it is not

customary for delegations to the joint commission to be headed by authorities not from Itamarati, there are precedents. But, according to one source, Delfim Netto would rather not be directly involved in a meeting that would not have decision-making power and that would "tie him up."

There are two names under consideration. It is most probable that Ambassador Baena Soares, the Foreign Affairs Ministry secretary general, will be sent to Moscow. If it should be decided that his going to the Soviet capital would, as in the case of Guerreiro, imply exaggerated political significance, Itamarati will send the chief of the European Department, Ambassador Ivan Batalha. But all this would still depend upon confirmation of the visit President Figueiredo is to make to Romania before the middle of this year.

#### Figures

Both Brazilian sources and those of the USSR embassy in Brasilia assert that there is no set figure established in any of the agreements being negotiated. "It is intended to try to get the maximum. To set any limit would be entirely absurd in view of that prospect."

In 1980, from January through November, bilateral trade between the two countries increased 20 percent over the total for the previous year, which leads to the projection that 1981 trade will grow 30 to 35 percent over that of 1980. Last year, moreover, set an absolute record in trade with East Europe.

At that, the figures are still far short of possibilities. The coordinated effort developed during recent years by Itamarati and ministers of the economic area has the exact purpose of making it possible to take better advantage of economic and financial opportunities that remain unexploited.

Studies for developing the policy of closer ties with socialist countries were begun on the basis of Circular No 5, dated 14 April 1977, a notice sent by the chief of the president's Civilian Household to all civilian ministries and to the SEPLAN [Planning Secretariat]. In that circular the then president of the republic, Ernesto Geisel, recommended that "Brazilian trade activity in the area, including the sending of Brazilian trade missions as well as visits by missions of government entities from East European countries, take place under the coordination of Itamarati."

In an initial survey, the Coordinating Group for Trade With the Socialist Countries of Eastern Europe (COLESTE), an agency of the Foreign Affairs Ministry, concluded that the main advantages of such trade were the absence of restrictive measures on subsidized exports, as the socialist countries have a centrally-planned economy, and the fact that East Europe represents an expanding market that does not compete with traditional Brazilian exports. East Europe may perhaps be the only area able, in the near future, to absorb significant quantities of Brazilian manufactured goods, not only for political reasons (preference given to developing nations), but especially because, being a bloc of countries with state trading, it offers trading conditions much less expensive than do Western countries (elimination of distribution and advertising costs, customs duties)." According to the COLESTE study, "East Europe also represents the only area outside of the United States, West Europe and Japan from which Brazil can import capital goods at competitive prices."

## What Is Expected of the Soviet Mission

Brasilia--The Planning Secretariat's expectation regarding the Soviet mission's arrival in Brazil is that it raises a real possibility of reaching a good level of trade with the USSR. There is also a strong hope that broader and more significant trade between the two countries will help Brazil through the influence of Soviet banks on European bankers. "The Russians," the Planning Secretariat source remarked, "could help Brazil very much in strengthening our credibility with the international financial community."

According to such expectations, the Brazilian-Soviet economic relationship may at first develop merely in regard to trade and later in the specific area of credit--something of great interest to the Brazilian government in view of the difficulties the nation faces in its balance of payments.

## Weak Trade

Brazil-USSR trade has not developed satisfactorily in recent years, although it has always been favorable to Brazil. The prospect of the Planning Secretariat, however, is that beginning this year trade between the two countries will improve a little, maybe even substantially. SEPLAN aides point out, however, that Russian negotiations are always very lengthy, especially those with noncommunist countries. "The Russians," they say, "always associated ideological agreement very closely with expanding economic relationships, although they have shown a little more flexibility in recent years. The Brazilian government would like to talk with them and find out just how far this flexibility goes." Only then will it be possible to say anything more specific about expansion of economic relations between the two countries.

## Financing for Energy Projects

Rio de Janeiro JORNAL DO BRASIL in Portuguese 5 Mar 81 p 15

[Text] Brazil is negotiating with the Soviet Union for providing equipment, technology and financing for projects related to hydroelectric power, coal and peat, it was announced by Mines and Energy Minister Cesar Cals.

He explained that the negotiations, being conducted within the scope of the COLESTE, are still in a preliminary stage, but added that the total amount of the agreement will not reach \$2 billion. According to the minister, resumption of oil supplies to Brazil is not under discussion, because the Soviet Union is, on the contrary, reducing its petroleum exports.

## Hydroelectric Power

The Soviets are to furnish equipment and financing for hydroelectric-plant construction. The Brazilian expectation is that they will finance 20 percent of the purchase value in the form of supplier's credit (financing associated with purchase of the equipment) and get commitments for the rest of the financing from European banks, in dollars convertible to cruzeiros.

In the area of coal, the drift of negotiations is for the Russians to furnish equipment and technology for an "in situ" coal-gasification plant in Rio Grande do

Soi, following the ministry's policy of diversifying its supply sources of equipment and technology for the various steps of utilizing coal (Brazil already has agreements with Romania, Poland and France and is negotiating others with the FRG and Great Britain).

The Soviets are also willing to furnish technology for utilizing peat in the Paraiba Valley region of Sao Paulo. This may be done through joint ventures with Brazilian companies.

#### Technical Assistance for COALBRA

Rio de Janeiro GAZETA MERCANTIL in Portuguese 27 Feb 81 p 10

[Text] Brasilia--President Figueiredo authorized the quasi-state enterprise Coke and Wood Alcohol, Inc (COALBRA) to contract technical assistance from the Soviet state enterprise Licensintorg for supervising erection of the first wood-alcohol plant, to be started before midyear in Uberlandia, Minas Gerais.

According to information furnished yesterday by COALBRA President Sergio Motta, the first Russian group of six experts will arrive in Brazil in April. "The technical assistance is characterized," he said, "clearly as advice for the hydrolysis sector. In no way are we importing technology along the lines of the traditional black box."

Quite concerned about clarifying that the basic purpose of contracting Soviet services "is to acquire knowledge of the hydrolysis operation," Sergio Motta explained that the Uberlandia wood-alcohol plant will be designed and built by Brazilian industry. "The plant will have nine sections," he explained. "Beginning in March we will be accrediting a number of domestic firms in order to make the best possible use and raise the quality level of equipment." He was unable to report how much the Russian technical assistance will cost. "We will pay on a man-hour basis," he said.

#### Capacity

The Uberlandia plant is to begin operating by the middle of 1982, producing 30,000 liters a day or 11 million liters a year. Motta explained that the investment in this first experimental unit will be about 1.3 billion cruzeiros and all funds are already assured. Of that total, 967 million cruzeiros are from PROALCOOL [National Alcohol Program], of which 300 million cruzeiros are nonreimbursable and 667 million cruzeiros are being borrowed under current PROALCOOL terms. The remaining 300 million cruzeiros are COALBRA's own funds.

In addition, the Energy Mobilization Fund, established by the National Energy Commission to subsidize alternative programs, will furnish about 40 million cruzeiros this year for technical assistance and supplemental expenses.

Sergio Motta explained that at least 80 percent of such funds will be used to buy equipment, while the rest will be for construction.

The plant will use 250,000 cubic meters of eucalyptus and pine per year. COALBRA recently signed a contract with a consortium of reforestation firms in the Minas Triangle.

**CVRD SEEKS TO EXPAND IRON ORE, BAUXITE SALES TO EAST EUROPE**

Rio de Janeiro O GLOBO in Portuguese 1 Mar 81 p 16

[Text] Brasilia--In an official letter sent recently to Planning Minister Delfim Netto, the Rio Doce Valley Company (CVRD) asked the government for a number of measures to enable it to expand iron-ore sales to East Europe.

In summary, CVRD alleges that without reciprocity, which is to say an expansion of Brazilian purchases from those countries, it has no way of competing with supplies of iron ore from the Soviet Union and India, which are better positioned in that market than is Brazil.

In its letter CVRD explained that iron-ore and bauxite sales to East Europe can be expanded only if there is reciprocity on the Brazilian side so as not to tilt the trade balance excessively in favor of Brazil. Otherwise nations of that region, some of which are already traditional buyers of Brazilian ores, will prefer to expand their purchases from the USSR, for political reasons as well as economic.

Czechoslovakia, for example, has a contract to buy 18 million tons of iron ore from CVRD to be delivered in the 1981-90 period and would like to increase these purchases by another 7.2 million tons.

In return, the Czechoslovak government is making purchase of the 7.2 million additional tons dependent upon Brazil's purchase of equipment for 3 cement factories in Brazil and 40 percent of the equipment for a coal-fired thermoelectric plant with a total value of \$120 million.

**Romania**

Romania, which has signed a contract with CVRD for buying 5.2 million tons of iron ore to be delivered through 1990, would like to increase it by 3 million tons annually.

Romania is also demanding reciprocity to offset the additional purchase and proposes selling Brazil 32 railroad passenger coaches, 2 drilling rigs for the Mineral Resources Prospecting Company (CPRM) worth \$3.2 million and 3 ships for DOCENAVE [Rio Doce Valley Navigation, Inc].

According to the letter sent by CVRD, the Industry and Commerce Ministry has agreed to the purchase of some of the coaches but purchase of the drilling rigs depends

upon authorization by the Planning and Finance ministries. Purchase of the three ships by DOCENAVE is virtually settled.

Poland is interested in increasing its iron-ore purchases from CVRD from 3.5 million to 6.5 million tons annually through 1995, without requiring any reciprocal trade, while Hungary is interested in buying 200,000 tons annually through 1985, but is still deciding what products it wants to negotiate about with Brazil.

Yugoslavia is negotiating 3 supply contracts, each for 500,000 tons annually, in the 1981-85 period, but is making purchase subject to exporting 2 ships for transporting cellulose, worth \$66 million, to Lloyd Brasileiro. It is willing to finance this sale over an 8-year period at a 4-percent annual rate of interest.

#### Imports

In order to sell Bulgaria 950,000 tons of iron pellets annually during the 1984-86 period, CVRD would like the government to authorize imports of 100,000 tons of wheat from that country, and unspecified amounts of kelp and steel plate.

According to the CVRD letter, authorization for these imports requires approval of the Industry and Commerce Minister, SIDERBRAS [Brazilian Iron and Steel Corporation] and the National Alkali Company. The Wheat Board has agreed to importing 100 tons of wheat.

At the moment, the GDR is negotiating a contract with CVRD for 2.5 million tons of iron ore, but is making the purchase subject to exporting 96 cargo cranes to PORTOBRAS [Brazilian Ports Enterprise], worth \$80 million.

Closing the deal depends upon Planning Ministry approval of the CVRD proposal for PORTOBRAS to use its available foreign exchange to buy the cranes from Romania (sic; GDR?). However, CVRD itself mentions that the domestic industry, when consulted, agreed to importation of only 20 cranes, with \$13.5 million.

The GDR would also like to sell two railroad cranes to CVRD for \$1.5 million and laboratory machinery and equipment for agricultural research worth \$20 million, to be delivered in the 1981-84 period.

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## ARMY RECEIVES 38 CANNONS PURCHASED IN SOUTH KOREA

Rio de Janeiro O GLOBO in Portuguese 7 Mar 81 p 9

[Text] Gen Benedicto Maia Pinto de Almeida, chief of the Ordnance Department, in delivering symbolically yesterday thirty-eight 155-millimeter cannons purchased in South Korea to Army Chief of Staff Gen Ernani Ayrosa da Silva, said that for many years this materiel "was needed by the disciplines of Mallet,

"Coming from the Artillery Branch, we look upon these cannons as a dream come true. It is up to the Army General Staff to decide where each of these howitzers will be sent, but I assure you that whether in the north of the country or in Rio Grande do Sul these howitzers will be an incentive and a stimulus for training our troops and for improving our young artillerymen," General Benedicto added.

Presentation and delivery of the cannons, which have a firing range of 20 kilometers, was made at 1000 hours at the Rio de Janeiro War Arsenal in Caju. The cannons are better-known as "114 A2" howitzers and are known affectionately by artillerymen as "the pride of the Artillery." Commandants of the 1st Army Division (Gen Euclides de Oliveira Figueiredo Filho), the 1st Military Region (Gen Enio Gouvea dos Santos), the 1st DE [Army Division] Artillery Battery (Gen Eras de Campos Vasconcellos), the 1st Military Region Coast Artillery (Gen Samuel de Tarso Teixeira Primo) and other artillery units attended the ceremony.

According to Gen Ernani Ayrosa, "acquisition of these cannons was a great goal achieved by the Army, thanks to the persistence and the fighting spirit of General Benedicto. In managing to acquire these cannons, he encountered all sorts of difficulties, but he had the energy to thrust them all aside in order to reach the final objective." And he added:

"For this reason, the glory of this purchase unquestionably belongs to General Benedicto. He has enriched the Army with materiel that we needed, just as we need other types of materiel that the Army is now trying to buy in order to further motivate our troops with more modern materiel. General Benedicto knows that we are making a very strong effort to acquire another type of materiel, the antiaircraft artillery to equip the Army, not in the ideal way, but in a way that our Army's power permits."

## Destination

Gen Ernani Ayrosa also said the Army General Staff already has a destination for the cannons, as two of them will go to the Agulhas Negras Military Academy in Resende,

"a most noble destination for a new weapon, placing it in the hands of the cadet so he can be sufficiently well trained that, when he joins the troops, he may be a good instructor, a good guide in its instruction."

The cannons, which arrived in Brazil 1 month ago, are being stored in the Rio de Janeiro War Arsenal for the necessary inspection and maintenance service for later distribution to the troops. After receiving the howitzers, General Ayrosa and the other general officers went through the arsenal's facilities, viewing its production line, under the guidance of the unit's director, Gen Adhemar Munhoz. By June the new cannons will be used for actual firing practice in Gericino.

#### Characteristics

The 155-millimeter howitzer has joint firing action, being used to destroy objectives in the enemy's rearguard due to its great range. It is a field artillery piece and is the same type as that used by the Artillery Branch of the Brazilian Expeditionary Force in Italy under the command of Gen Oswaldo Cordeiro de Farias.

It has the largest caliber and the longest range of any existing howitzer. It is a piece used by the Field Artillery, which also uses 105-millimeter howitzers that operate closer to the front line. Unlike the 105, the 155 remains farther back in order to fire on the enemy's rear. "It is a weapon used to give depth to combat," according to a technical term used by artillerymen in the Brazilian Army.

The crew is usually eight soldiers and one sergeant. It runs on wheels and, when it is time to be fired, it is fixed to the ground with hydraulic jacks. They are pulled by heavy trucks. In Rio de Janeiro, the 11th Field Artillery Group, located at the Vila Militar, has howitzer cannons similar to those made in South Korea, but they have been subjected to much use.

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## BRIEFS

FLOOD DAMAGE IN NORTHEAST--Floods in the northeast have already killed 25 persons and left 15,400 homeless in the 72 counties currently affected in the area. This information was released yesterday through the daily bulletin of the Civil Defense Secretariat of the Interior Ministry. According to this information, there have been fatalities in only two states: 9 in Pernambuco and 16 in Bahia. Approximately 295 houses have been destroyed and at least 11 public projects damaged. In Ceara, the Oros Dam has reached its maximum capacity of 2.4 billion cubic meters of water. In the state of Bahia, 32 counties have been declared in the state of public calamity. In this state 23 [as heard] have already died and 10,000 are homeless. One of the best dams, the (Maracaja), in (Pedro de Lima) has been destroyed by excessive water pressure. Fortunately the people who lived near the dam were warned in time and there were no casualties, nor have damages been too heavy. The heavy rains which are falling in Minas Gerais have cut off eight state highways although they have not yet affected urban areas. The most affected areas are in the valleys of Mucuri, Jequitinhonha, Sao Francisco and Urucuia. [Text] [PY281401 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 28 Mar 81]

CSO: 3001

## TWO DECADES OF BROKEN RELATIONS: PRINCIPLES ARE NOT NEGOTIABLE

Havana GRANMA in Spanish 5 Jan 81 p 6

(Commentary by Juan Marrero)

(Text) Saturday, 3 January, marked the passing of two decades since the United States decided to break off diplomatic and consular relations with Cuba.

With that action--taken by the Eisenhower administration just 3 weeks before that president's term expired--U.S. imperialism confirmed to the world that it was preparing a military attack on the Cuban Revolution. For weeks before that in Guatemala, the CIA had been training the mercenary force that it would later throw against the Cuban Revolution.

As always, the United States seeks a pretext, or often invents one, in an attempt to justify its aggressive and criminal policies. In this case--that is, the break in relations with Cuba--it attempted to justify its action on the basis of the announced--and absolutely legal--decision by the Government of Cuba to request a reduction in personnel at the U.S. Embassy in Havana.

On 2 January in Revolution Square, during a giant rally called to celebrate the second anniversary of liberation, Fidel said:

"The revolution has been very patient; it has allowed a plague of intelligence agents disguised as diplomatic officials at the U.S. Embassy to remain here plotting and fostering terrorism. But the Revolutionary Government has decided that within 48 hours, the U.S. Embassy will no longer have one more employee here than we have in Washington. We have 11 people there, but those gentlemen have 300 officials here, 80 percent of whom are spies."

Fidel's words were interrupted by the people with shouts of "Make them leave!" and "Cuba, yes; Yankees, no!"

Fidel continued, "We are not breaking with them, but if they all want to leave, well, let them go!"

And the Eisenhower administration had scarcely received the diplomatic note advising it of Cuba's decision--a decision made to thwart the activities of not a few American officials who, with no respect at all for our laws, were fostering counterrevolution

and terrorism and ignoring the Revolutionary Government's repeated protests against such activity--before it reacted with the characteristic arrogance of the imperialists offended, it decided to break off relations with Cuba.

The Yankee press also took offense. The UPI even said that Cuba's action was "the final act in a series of harassments, unfounded accusations, and vilifications" directed at the United States. In other words, the harasser, liar, and vilifier was Cuba, not the United States.

The reasons for the break in relations did not lie in the action taken to reduce the number of Yankee "diplomats." They must be sought months before that in the measures adopted by the revolution for the benefit of the people and to the detriment of the exploiting interests. Those reasons were agrarian reform, which deprived the big imperialist companies of their lands, the nationalization of mining, banking, and public services, and the laws, decrees, and actions that did away with party politicians, discrimination, injustice, prostitution, gambling, the misappropriation of public funds, banditry, dishonor, lies, and treason.

Because of all that, Yankee imperialism decided to destroy the Cuban Revolution. And it was to use every means to do so, but its own actions only accelerated the revolutionary process. As Fidel was to say on one occasion, imperialist action and revolutionary response were indissolubly linked in the development of events.

The Yankee decision to break off relations with Cuba did not frighten anyone in Cuba. The response then was the same as it is today when threats against Cuba are made: we continue to advance and to delve into the work of the revolution while simultaneously preparing to defend ourselves.

And in the 20 years that have passed, neither the economic blockade, nor the stealing of talent, nor subversion and sabotage, nor armed gangs, nor military attacks like that at Giron Beach, nor threats to use atomic weapons, nor maneuvering aimed at isolating us diplomatically, nor the CIA-planned assaults on the revolutionary leadership have been able to prevent the revolution from continuing on its inexorable course: from growing and becoming stronger day by day.

When relations were broken off, the Government of Cuba issued a statement saying that "the people of Cuba consider their relations broken with the Government of the United States but not with the people of the United States, and we hope that someday those relations will be officially reestablished--when the rulers of the United States finally realize that it is possible to maintain sincere and friendly relations with the people of Cuba on the basis of respect for their sovereign rights, their legitimate interests, and national dignity."

Neither Eisenhower, Kennedy, Johnson, Nixon, Ford, nor Carter realized that.

At our party's second congress, Fidel confirmed the position of principle adopted by the Cuban Revolution with respect to relations with the United States.

He said, "if an olive branch is extended, we will not reject it. If hostility continues and there is aggression, we will respond energetically."

And he added:

"Cuba regards it as a worldwide historical necessity that normal relations, based on mutual respect, recognition of each party's sovereign rights, and nonintervention, should exist among all the countries of the world. Cuba considers that the normalization of its relations with the United States would favor the political climate in Latin America and the Caribbean and contribute to world detente. For that reason, Cuba is not opposed to settling its historical quarrel with the United States, but no one must demand that Cuba change its position or compromise its principles. Cuba is and will continue to be socialist. Cuba is and will continue to be a country friendly to the Soviet Union and all the socialist countries. Cuba is and will continue to be an internationalist country. Principles are not negotiable."

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CSO: 3010

## GUATEMALAN STRUGGLE LINKED TO THAT OF ITS NEIGHBORS

Havana TRIBUNA DE LA HABANA in Spanish 29 Jan 81 p 4

(Commentary by Carlos Mora Herman)

[Text] (PL)--The attack on 28 localities in northern Guatemala over the last few weeks and the recent armed actions against a police barracks south of the capital and in the departments of Quiche and Quezaltenango are encouraging news in the Central American panorama.

Guatemala's four politicomilitary organizations--the Guerrilla Army of the Poor, the Rebel Armed Forces, the Organization of the People in Arms, and the Guatemalan Labor Party--are stepping up in a coordinated manner their actions against the bloody regime of Gen Romero Lucas Garcia. This is a fine example of active solidarity with the heroic Salvadoran fighters, the aim being to prevent, or at least hinder, Guatemalan troops from going to the help of El Salvador's military junta, which has the support and complicity of Washington.

All of this is part of the Central American epic that began with the Sandinist victory in Nicaragua, continued in the renewed outbreak of struggle in El Salvador, and is, now and always, present in the revolutionary rebelliousness of the Guatemalan people.

Let us pause briefly for a look at the situation in Guatemala.

It is a country of about 100,000 square kilometers and borders on Mexico, Belize, El Salvador, Honduras, the Caribbean Sea, and the Pacific Ocean. It has about 7 million inhabitants, a little more than half of whom are Indians.

Guatemala is a predominantly agricultural country, in which 70 percent of the arable land is in the hands of a small group of national and foreign owners or of the so-called mixed-economy companies.

Out of every 100 Guatemalan children, 10 die before completing their first year, and 81 suffer from a greater or lesser degree of malnutrition.

There is a physician for every 25,000 inhabitants and a hospital for every 170,000. The rate of illiteracy is 70 percent and reaches 96 percent in the rural areas.

Half of the country's children have no access to schools, and 80 percent of the existing housing lacks water, electricity, and the most basic conditions of hygiene and safety.

Economic, political, ideological, and military dependence on the United States is absolute, and since 1954, the year of blatant Yankee intervention against the bourgeois democratic government of Jacobo Arbenz, the country has been in the hands of a voracious military caste and a reactionary middle class that has sold out to imperialism.

Since the overthrow of Arbenz, Guatemala has experienced a succession of repressive regimes which have gained power by imposing it or through electoral fraud.

Under the current regime of General Lucas Garcia, and in response to the advance of rebellion in Central America, the most savage repression and reactionary terror have been unleashed.

An average of 30 corpses appears daily with signs of cruel torture--there are no political prisoners--and since 1954 the list of dead and missing has come to include more than 70,000 persons.

It is easy to understand why the Guatemalan people have chosen the path of armed struggle for achieving a democratic people's government and doing away once and for all with the reactionary nightmare that the country has been experiencing for more than 26 years.

We emphasize that the struggle by the people of Guatemala is the struggle of El Salvador and the struggle of Nicaragua against their imperialist enemies. Nicaragua is defending its revolution, El Salvador is preparing for new and victorious battles, and Guatemala is stepping up the struggle, and they are all facing the same enemy: U.S. imperialism.

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## ROLE OF FAMILY IN RAISING COMMUNISTS DISCUSSED

Havana GRANMA in Spanish 7 Jan 81 p 2

[Article by Vicente Gonzalez Castro: "Role of Family in Communist Training of New Generations"]

[Text] The family which, as is known, is the basic cell of society participates in a singular and very powerful way in the communist training of future generations. Every week a child or youth spends more time under the influence of his family than under the influence of school. Without considering the time that a child sleeps, he spends 40 percent of the week in school and approximately 60 percent with his relatives at home.

It is not merely a matter of time in the quantitative sense. At home there are vital activities for human education: general cultural activities, personal care habits, sleep, family relations, etc.

Although the state has made the school responsible for the education of the new generations, the family shares this responsibility and also influences its effectiveness.

When family-school relations are good and are united toward the same objective, the results are very satisfactory. When they are in conflict, they generate contradictions that, instead of helping in the development of a child, create problems for him.

The educational work of the school is reinforced at home and the political and ideological work that our society, particularly the school, carries out under the direction of the party is supported.

Family education promotes a child's interest in work from the very moment when the youngest members are assigned tasks (making their beds, picking up their clothes, etc.). It connects them to the production of material goods, making them aware of the different production sectors. There is educational value in the experiences that their parents and other relatives comment on concerning their productive successes, emulation in the work center, life in the factory, etc.

With family help, the children want to participate in the activities of the political and mass organizations, the productive work of the CDR [Committees for the

Defense of the Revolution], collection of raw materials, participation in emulation meetings, pioneer parades, group activities, etc. Little by little, the child internalizes these as a moral necessity.

In order to educate the child correctly, it is necessary that he be taught certain measures, norms and habits at a very early age to insure his physical and mental health as well as his adjustment to society. The organization of family life provides him with optimal conditions for physical and psychological development.

Order in his daily life (his hours for eating, sleeping and personal care) based on the requirements of his age is essential. When a child is up late watching a movie on television, for example, he is not only receiving information or a cultural influence that is inappropriate for his age (broadcast late for that reason), but his need for daily sleep and rest to replace his lost energy is not being met.

The next day, his school yield will probably be low and he will probably be hyperactive. If this occurs regularly, then his psychological stability will progressively deteriorate, his learning will be affected and behavior problems that might be incorrigible will begin.

Good affective relations among the members of the family create the bases for youths and children to be educated in respect for good norms of social coexistence, respect for adults and courtesy toward peers.

No less important to his education is the habit of taking care of his belongings which will be reflected in his later life in good care and respect for social property.

Dozens of tasks like those that we have mentioned contribute to the education and training of children and youths. The family is involved in this with the school.

Schools for parents have been established to give parents more information about the way to cover some of these aspects and to eliminate worries. They cover psychological and pedagogical topics and aspects of family and sociopolitical education.

The involvement of the parents in these activities can help make the education of minors more effective.

There is no question that a close tie between the family and the school is necessary to insure the most effective training of the new generations.

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## TRAINL. , CAREERS AVAILABLE IN MILITARY NOTED

Havana GRANMA in Spanish 31 Jan 81 p 2

[Article by Georgina Jimenez: "Advanced Education in Military Education Centers"]

[Text] One of the most attractive prospects for our youths who have graduated from advanced intermediate education (preuniversity and polytechnical institutes) are the advanced military specialties at the General Antonio Maceo Interservices School. It offers them the opportunity to be useful to the country and also offers individual, integral and unlimited advancement.

This center is in Ceiba del Agua in the town of Caimito. There are five departments which offer 10 specialties. These courses last 4 to 5 years. The graduates are engineers with the exception of those who study military policy who receive degrees in political science. At graduation, they are given the rank of lieutenant.

**Military Chiefs: Engineers and Graduates**

It is not surprising that the command cadres of our armed forces take advanced (university) studies. The scientific and technical revolution has not only revolutionized technology in the production and service sectors but also in military technology. This means new concepts of organization and leadership in modern combat.

Given the growing development and modern technology of the units of our FAR [Revolutionary Armed Forces], anyone who heads a military unit must master technology for the weapons under his command and be psychologically trained for these demands. Therefore, the policy our armed forces must follow is to place officers with advanced political, military and technical qualifications in charge of these units.

Following this policy, the graduates are appointed chiefs of small units or substitutes in technology (in the cases of engineers in armored technology and armaments engineers); the graduates in social sciences are substitutes for the company chief for political work.

**The School**

The military education center has special classrooms, trainers, electronic equipment, laboratories, ranges, study centers, training films, libraries, assembly

halls, study rooms and modern technical and combat equipment in the study materials program.

For the cadets' recreation, weekly excursions to museums and historical and cultural sites are organized. There are also theater, movies and Lenin-Marti rooms. There are sports events twice a week. The cadets are organized into teams and sports based on their interests.

Their multifaceted training includes swimming and self-defense.

After graduation, they have unlimited prospects of development since they can take advanced military courses in FAR academies and in the USSR and can obtain scientific degrees.

#### Specialties

Political-military officer of general troops: specializes in general troops and receives an advanced degree in social sciences.

Tactical command of tank troops: specializes in tank troops with an advanced degree as engineer in armored technology.

Tactical command of motorized infantry troops: specializes in motorized infantry troops with an advanced degree as engineer in automotive technology.

Tactical command of engineering troops: specializes in engineering troops with an advanced degree as engineer in heavy machinery.

Tactical command of chemical troops: specializes in chemical troops with an advanced degree as engineer in weapons of the chemical troops and defense against mass extermination weapons.

Tactical command of automotive troops: specializes in automotive troops with an advanced degree in engineering in automotive technology.

Tactical command of food supply to troops: specializes in rearguard troops with an advanced degree as economics engineer.

Tactical command of clothing supply to troops: specializes in rearguard troops with an advanced degree as economics engineer.

Mechanical engineering in use and repair of tanks and transportation: specializes in use and repair of tanks and transportation with an advanced degree as military mechanical engineer.

Engineering in engineering armaments machinery: specializes in use and repair of engineering machinery with an advanced degree as military mechanical engineer.

The first eight specialties take 4 years and the last two take 5 years.

## How to Request Scholarships

From the directors of preuniversity or polytechnical centers.

From the provincial SEPMI (Society for Patriotic-Military Education).

For soldiers and sergeants, from their respective chiefs of political work or substitutes.

Youths who want more information may request it from their provincial SEPMI or directly from:

General Antonio Maceo FAR Interservices School, Ceiba del Agua, Caimito, Havana Province.

## Admission Requirements

Must be physically and mentally fit.

Must be between 16 and 21 years old inclusive.

Must be single.

Must be a graduate of preuniversity school (or be an intermediate technician in a related specialty).

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MEDICAL DRUGS DONATED TO UGANDA

Kampala UGANDA TIMES in English 12 Mar 81 p 8

[Article by M. Omongot]

[Text] The Ministry of Health has received five tons of medical drugs donated by the Cuban government.

The drugs were yesterday handed over to the Minister Dr Ezra Nkwasibwe, by the Cuban Charge d'Affaires to Uganda, Mr Franco Reuben at the Medical Stores, Entebbe.

Reuben said another ton of drugs would soon be arriving into the country, making the total donation six tons.

Nkwasibwe said the donation "was a true sign that the Cubans loved Ugandans and cared for their lives."

He said though Cuba was also a developing country, it was ahead of Uganda and had taken the trouble" to give us some aid and share the little you have".

Cuba has seven doctors and four pharmacists working with the Ministry of Health. Three more are expected soon. There are many more technical experts with other ministries and government departments.

On Cuban-Ugandan relations, the minister said, "we shall work hand in hand to consolidate this solidarity."

Reuben was accompanied by the head of the Cuban doctors in Uganda, Dr Didier Gonzalez.

CSO: 4420

## HIGH PRODUCTIVITY RESULTS FROM NEW PAY SYSTEM

Havana GRANMA in Spanish 15 Jan 81 p 4

(Article by Jose Norniella: "High Yields Achieved in Cane Planting in Cienfuegos Through Payment for Finished Field")

(Text) Cienfuegos--High yields of over 150,000 arrobas per caballeria is the eloquent result achieved in 14 months in an unirrigated cane area which was planted and cultivated by a group of workers under the finished field payment system.

An interesting experiment started at the end of 1979 in the Antonio Sanchez Cane Enterprise in Aguada de Pasajeros, Cienfuegos Province. The wages of the agricultural worker were tied to the results of his work through the application of the finished field payment system. At first, there was skepticism about it but today it is a convincing reality that is spreading rapidly.

The finished field system is payment for yield. The cost of any activity in a certain area is calculated to establish the work for each worker. He will collect his pay when the task is completed and has been approved by the field chief.

This payment system eliminates wages in the field based on norms. It permits the use of family help which means earlier completion. The worker does not have to wait for directions since he knows beforehand what he must do.

When the planting of these almost 10 caballerias of cane was put under this system, the first thing the workers did was choose good seeds, demand complete preparation of the land, find seeds with three sprouts, make sure they were covered immediately after planting and resow within 45 days.

We saw what the results were. The workers were stimulated materially by the payment system and used their abilities to the maximum. They worked harder and better and received wages corresponding to that work.

Many of the members of the Jesus Menendez Brigade of regular cutters participated in that experiment which started in September 1979. All speak highly of the finished field payment system. They say that they earn more money and work much better than with norms. This system lets them answer directly for the work they do. All this is true and it is also true that the wage fund of the enterprise is reduced and the wages of the workers and productivity increase favorably for the national economy.

By achieving a better planting, there is a better crop. This translates into high yields per area at a lower production cost which is precisely what the SDPE [Economic Management and Planning System] seeks with its economic mechanisms. Payment for finished field is one of those mechanisms whose results are visible.

This is the concrete way that these Cienfuegos workers have to strengthen the defense of our country. Sowing cane with higher yields and lower costs is one way to strengthen the economy and a stronger economy means stronger defense. They also donated 1 day's wages to pay for weapons and uniforms for the Territorial Militia.

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CSO: 3010

## STATE ARBITRATION PROSPECTS IN CURRENT 5-YEAR PLAN NOTED

Havana GRANMA in Spanish 5 Jan 81 p 2

[Article by Jose Gabriel Guma: "State Arbitrator Plays Significant Role in SDPE"]

[Text] The SDPE [Economic Management and Planning System] came about as a result of an objective and in-depth analysis of the national economy by the First Party Congress. The arduous and complex process of gradual implementation was examined at the Second Party Congress. This requires good functioning of its basic links, including the state arbitration system.

The 5-year period that just ended will be remembered as the crucial phase of economic progress of the country when the mechanisms of the SDPE were established and their application begun. In the 5-year period 1976-80 all the components of the SDPE for this initial stage were created.

The 5-year period 1981-85 will be distinguished mainly for consolidation of all the mechanisms of the SDPE while 1986-90 will bring the widespread penetration of the results of the SDPE into national life.

Actually, it will not be necessary to wait for the second half of the decade to see the fruits of this vast effort. Positive results could already be seen in the first 5-year period and these will increase during this 5-year period. There is no doubt that the integral objectives of the country will be reached by 1986.

A simple observation of the 5-year period that just ended confirms that the advances achieved through the application of the SDPE include productive efficiency of labor resources. It is enough to examine the relationship between the growth in the average wage and that of work productivity to appreciate this achievement.

Of course, there are still deficiencies and obstacles. Two of these are laxity in the execution of tasks and excessive centralization of management in the branch organisms of the economy. This excessive "paternalism" severely limits the necessary autonomy of the enterprises in their economic and operational activities. At the same time, it is an expression of overestimation of administrative methods and underestimation of economic methods of management.

Unquestionably, to the degree that we use the possibilities of monetary-commercial relations and the economic factors involved--gain, profitability, price, credit, cost, etc.--more positive results will be achieved.

We must keep in mind that centralized planning is characteristic of economic management under socialism. However, monetary-commercial relations and the law of value under socialism do not conflict with centralized planning. All these factors merge harmoniously within the SDPE.

The birth of state arbitration is irrevocably tied to the principle of individual and collective material responsibility for lack of fulfillment, errors and deficiencies in the execution of economic plans clearly established in the SDPE.

The main objective of this system of special organs of the Central State Administration is to learn and resolve precontractual and contractual economic conflicts that might arise from monetary-commercial relations between the parties of an economic contract. It plays an important role in planning as well as in contracting.

The organisms, budgeted units, enterprises and unions of state enterprises, agricultural and livestock cooperatives and other entities that participate in national economic life have institutional obligations not only to fulfill the plan but also the contracts. The latter complete the legal nature of those obligations.

The plan might be fulfilled but economic contracts are needed to effectively satisfy the requirements of the national economy. The plan becomes concrete through specifications of quality, types of assortment, delivery and payment conditions and other stipulations in the contracts.

Therefore, if the economic contracts are not fulfilled, the plan will be inoperative. In other words, fulfillment of the contracts gives true effectiveness to the plan.

In the ceremony at the Palacio de las Convenciones to initiate the legal functioning of state arbitration, Dr Osvaldo Dorticos Torrado indicated that this new system must play a very important role at the beginning in writing the contracts.

Also the arbiters in the three levels of this system--national, territorial and organizational organs--must work hard to publicize the obligatory nature of contracts and their essence.

Port arbitration and other types of arbitration during the capitalist and colonial stage are poor background that did not have any real effect. Like any new institution, state arbitration will face problems, particularly in its initial stage.

Although some legislative instruments have not been created yet and the majority of the regulations on general and special conditions of economic contracts have not yet been approved, state arbitration will begin its road to progress which is very necessary for the national economy and the interests of the people. It will progressively help solve acute problems related to the standard of living of the people.

The quality of production and services will be one of the concrete aspects on which arbitration will work hard. In a recent sample of the situation of contracts under the 1950 technical-economic plan, it was discovered that many of them lack stipulations on quality so one contracting party is virtually defenseless toward the other and the public, final recipient of the contracted production and services, is affected.

In the opinion of many, the SDPE is a real revolution within the revolution. However, for this to be true and not simply a proposal, it is indispensable that state arbitration fully exercise its legal function as provided by existing legislation and demanded by the revolution.

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## RESOLUTION ON VOLUNTEER WORK TO FINANCE MTT NOTED

Havana TRABAJADORES in Spanish 16 Jan 81 p 3

[Resolution No. 3-81 of State Committee for Finance, dated 12 January 1981]

[Text] Whereas: The Second Congress of the Communist Party of Cuba unanimously approved days of volunteer work or other types of activities in labor centers, towns and provinces to finance the MTT [Territorial Militia] so that the workers can carry out their desire to contribute to the purchase of weapons for the MTT;

Whereas: A national organizing commission for financing the MTT has been formed; and

Whereas: The SDPE [Economic Management and Planning System] includes the principle that the enterprises that use volunteer work in the production or service process must record it and pay for it;

Therefore: After consulting the national organizing commission for financing the MTT and the National Bank of Cuba;

I resolve:

To establish the financial procedure to be applied to the labor force mobilized for volunteer work with the objective of contributing to financing the MTT.

First: To consider as the volunteer labor force mainly personnel tied to labor centers who are mobilized outside their normal work schedule or on holidays after agreement with the recipient state enterprises and the Central Organization of Cuban Trade Unions or the unions, organizations and associations and, if necessary, the organs of defense and domestic order. This includes workers who are organized to do volunteer work in their own work centers outside their normal work schedule.

Second: To provide that payment is made by the enterprises that use the work force mentioned in the above paragraph to the organisms, organizations and associations that have mobilized that labor force for the amount of wages based on established norms and rates as well as the corresponding amount for paid rest. These payments will be charged to the wage fund of the recipient enterprise.

Third: When this volunteer labor force is used partially or totally in areas of the agricultural and livestock cooperatives or peasants, payment for the work done

will be made by the state enterprise that receives, distributes and supervises this labor force. It will be compensated for the amount paid to that labor force by collection of the same amount from the cooperative or peasants who used this labor force.

Fourth: The payment mentioned in the second and third clauses of this resolution will be made by the recipient enterprise within 10 calendar days after the end of the mobilization by checks drawn in the name of the corresponding organization, association or organ of defense and domestic order which has the obligation of cashing them in the established time period and form. The recipient enterprise will write, in the appropriate place on the check, "contribution for financing the MTT."

The entities that receive these checks will present them to the bank offices with Form 114-531-A "deposit in account" so that they are deposited in the revenue account in the name of the corresponding organization, association or organ of defense and domestic order within 5 days after reception for subsequent transfer to the account of the national organizing commission for financing the MTT.

Fifth: Transportation expenses for mobilization of the volunteer labor force will be charged to the recipient enterprise.

Sixth: The enterprise, budgeted unit, organization or association that provides its equipment to transport the mobilized workers must bill the corresponding recipient enterprise.

Seventh: The recipient enterprises that use this volunteer labor force are obliged to contribute to the state budget the appropriate payment for social security using the established procedure.

Eighth: A budgeted unit using a volunteer labor force as construed in this resolution cannot make any payment.

In recognition of social benefit and socialist emulation, the budgeted unit that uses a volunteer labor force will certify the amount of work done to the conveying entities.

Ninth: The amounts collected through donations or other duly authorized activities in labor centers, towns or provinces will be deposited within 48 hours of reception in the corresponding bank office with Form 114-531-A "deposit in account" so that they are deposited in the revenue account of the corresponding organization, association and organ of defense and domestic order for subsequent transfer to the account of the national organizing commission for financing the MTT.

Tenth: The vice presidents in charge of the agriculture offices and the National Accounting System are delegated to dictate the instructions necessary for the best fulfillment of this resolution.

Eleventh: Let this be communicated to the state organs and organisms, organizations and associations and any other natural or legal person necessary. The original must be filed in the Legal Office of this committee. Let it be published in the GACETA OFICIAL DE LA REPUBLICA.

Given in the city of Havana on 12 January 1981  
[Signed] Francisco Garcia Valls, minister-president

## RAMIREZ CRUZ COMMENTS ON CPA, FARMERS FREE MARKET

Havana GRANMA in Spanish 30 Jan 81 p 2

[Interview with Jose Ramirez, alternate member of the Political Bureau and president of ANAP [National Association of Small Farmers], by Orlando Gomez; date and place not given]

[Text] Beginning at the time of the resolutions of the First Congress of the Communist Party of Cuba on the agrarian question and the Fifth ANAP Congress held in 1977, which unanimously approved the political line proposed to our farmers to the effect that they would voluntarily move to higher forms of production and life in the mountains and plains of the country, the process of setting up the Agricultural and Livestock Cooperatives, the CPA, as they are popularly known, was undertaken.

Quantitatively speaking, what has been achieved in the brief period up until the recently concluded Second Congress of the Party: nearly 26,000 farmers and over 16,000 caballerias [1 caballeria = 33.2 acres] of land integrated into some 1,000 cooperatives of this higher, socialist type, is not much.

And yet, this constitutes a successful and encouraging effort of quality and solidarity made by the vanguard of our farm masses and their organization. There has already emerged a noteworthy group of model cooperatives that obtain high agricultural yields, doubling and tripling the traditional and obsolete production of the individual parcels that were combined in them. They are introducing mechanization and the techniques that could not be used on small landholdings. They allocate considerable sums for amortization and new investments and are earning satisfactory incomes for cooperative members.

Without any further ado, let us allow Jose Ramirez, alternate member of the Political Bureau and president of ANAP, to answer GRANMA's questions.

[Question] How have our farmers and ANAP complied with the resolution of the First Party Congress on the move to higher forms of production in agriculture?

[Answer] In compliance with that resolution, our organization embarked upon the task of the patient and systematic task of informing, enlightening, convincing and winning over every farm family in order to march, once the time had come, to higher forms of production, jealously guarding the principle of voluntary inclusion.

Beginning with the Fifth ANAP Congress, following the guidelines set forth by the First Congress of the party and bearing in mind the principles formulated in Lenin's cooperative plan, we began the work of integrating farm families into the cooperative movement.

The first years of cooperation were marked by the establishment of farm and livestock production cooperatives, which were small in size and numbers. This is understandable when one remembers the voluntary nature of the process. In all cases, the CPA's emerge from a group of vanguard farmers who are the first to understand the need for change.

Gradually, and to the extent that the cooperative becomes an example of efficiency, productivity and better living conditions, it grows and attracts larger numbers of farmers. This is what has happened as a general rule.

Last year, the growth in the areas and number of members belonging to the CPA's has continued at a sustained rate and there has been a definite consolidation of the farm cooperative movement throughout the country.

The preliminary data gathered directly in the provinces in recent days -- until such time as the State Statistics Committee provides us with official information -- indicates that by 31 December 1980, there were 1,053 Agricultural and Livestock Cooperatives in the nation, with an area of 16,147 caballerias, 13.1 percent of the total area of the farmers already in cooperatives. At the present time, there are already over 26,000 farmers belonging to the CPA's. The average area of the cooperatives has already exceeded 13 caballerias and there are generally 25 members per unit in this type of collective farm enterprise.

It should be pointed out that the cooperatives, initially small, have served as training schools for cadres since training in collective administrative has been given to many of those now leading the large CPA's in the cooperative movement. However, not only the leaders, but the very farmers themselves have learned to work under new conditions very different from those that existed on individual holdings.

Early last year there began a qualitative change within the cooperative movement, with the union of small cooperatives into larger ones. By September, 67 small cooperatives had already merged into 26 larger units. The average area before uniting was 23 caballerias. After the merger, each CPA had an average of 55 and we now have in the country five CPA's with over 100 caballerias. The sugar cane cooperatives predominate since out of the 26 combined by December, 22 were involved in that important crop.

If we consider the work remaining in order to transform the old form of production of our farmers, one might think that what has been accomplished so far is little. Nevertheless, we can say that with the support of the political organizations and the other mass organizations, the state organizations under the leadership of the party at every level, and with the example already provided by the cooperatives set up, we now have the foundations so that the farmers can move with greater speed toward socialist forms of production.

[Question] What economic and social results have been achieved by the farmers who have joined the CPA's?

[Answer] Most of the Agricultural and Livestock Production Cooperatives have distributed profits among their members and have improved their living conditions. In our rural areas, one can see the new life of thousands of farm families that enjoy the benefits of cooperation.

Among the social advantages they receive is: the construction of collective housing, which makes it possible to do away with the isolation in which they lived and also facilitates the establishment in these areas of schools, social circles, clinics and playing fields. Another aspect to be emphasized is the fact that while not all the CPA's have it, we have been able to provide electricity to some.

Another very important matter is that the emergence of cooperatives has facilitated the incorporation of farm women into the labor force, the economic, political and social tasks of the country. At the present time, over 30 percent of all CPA members are women.

Special legislation is now being prepared to institute social security for cooperative members including: retirement, the right to maternity leave, workmen's compensation, paid vacation, and so on.

[Question] What problems have you observed in the gradual development of the rural collectivization of our farm sector?

[Answer] Among these difficulties is the grouping of housing of cooperative members. We are behind for different reasons, including the limited resources the country has. In addition, to date we have not had the proper planning to respond to these needs.

There are also cases in which the cooperatives have solved problems in their own areas and then, due to organizational problems in the transport of materials or other areas, have been unable to get such materials to their destination promptly, resulting in delays in the construction and unification of housing. Although not everywhere, if installation of electric lights is possible, once the town is established the service has not always followed.

Furthermore, only 16 percent of the CPA's irrigate their farming areas despite the fact that 57 percent have the conditions to do so. However, pumping equipment, pipes or other implements are lacking. Not all the CPA's have enough farm machinery and implements and maintenance and repair services are inadequate.

Nevertheless, the First National Cooperative Meeting analyzed the progress and difficulties enumerated and took measures to solve problems in order to give a new boost to this new form of production and coexistence in our rural areas.

[Question] What is your opinion of the Farmers Free Market?

[Answer] The Farmers Free Market involves the Agricultural and Livestock Production Cooperatives (CPA's), the Credit and Service Cooperatives (CCS) and areas

destined for the self-consumption of state agricultural enterprises, as well as those persons who, without being private farmers or cooperative members, produce on their own plots or in their gardens or yards.

The Farmers Free Market was set up for the purpose of facilitating the sale to the people of farm products that are not marketed through the state collection system, in other words, production surpluses and secondary production. Surpluses obtained in production areas assigned for the self-consumption of farm workers on state enterprises can also be taken to the Farmers Free Market.

The Farmers Market has substantially helped to increase the people's consumption and to meet their food needs. Nevertheless, there exist problems such as the following:

Not enough farm producers, cooperatives and state farming enterprises yet contribute to the market, which would considerably increase the supply of products and thereby bring about a substantial reduction in the prices of products sold to the people.

Many of the areas set aside for the sale of farm products are not suitable.

It is necessary to make a good selection of responsible comrades to manage these markets and ensure that the farmers who take their goods there have the proper documents required by law, in order to prevent middlemen from using this channel for speculation with the price of products.

Our organization works, first of all, for a good plan of production and sale to state collection organizations, emphasizing ideological work so that when the farmer takes his surpluses to the Free Market, even though his sales may be made based on supply and demand, he will not lose sight of the principle on which the worker-farmer alliance is based.

In other words, although the farmer may have the opportunity to sell at prices higher than those set by the state, he will not let himself be selfish enough to make a great deal of money with a few products. This means that the farmer can be called a comrade of the worker, the doctor, the teacher, all working people, with the attitude of the true ally of the people rather than that of an exploiter, which capitalists and the so-called middlemen are.

[Question] What future do you see for the cooperative movement among our farmers?

[Answer] In the years to come, we foresee noteworthy progress through the massive, conscious, voluntary and enthusiastic incorporation of our farmers into this new form of production and life which the Agricultural and Livestock Production Cooperatives offer them.

We can make this statement based on our experience, plus the planning of material resources by the government. A contributing factor has also been the cooperation and support of all mass organizations that deal with the farmers and which, under

the leadership of our party, will comply with the resolution on the agrarian question approved by the Second Congress of the party.

In addition, this entire joint effort will make the guiding words of our Commander in Chief a reality, concerning the formidable prospects which the cooperative movement of our farmers has in the future.

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## REPORT ON MOST PRODUCTIVE CPA'S IN COUNTRY

Havana GRANMA in Spanish 16 Jan 81 p 3

[Article by Orlando Gomez: "Will Cane CPA's Produce 100,000 Arrobas of Cane Per Caballeria as Fidel Proposed?"]

[Text] During the First National Meeting of Cooperatives held last November, comrade Fidel discussed cane among other topics. He expressed the importance of planting, cultivating and cleaning the cane for the next harvest and the country's vital need for outstanding sugar production at a time when sugar prices are high in the world market, after several years of very low prices.

He revealed his conviction that there was better cultivation of cane last year than the previous year. He had received a magnificent impression from his visit to the cane CPA [Agricultural and Livestock Cooperative] in Matanzas, specifically the Arturo Suarez and Augusto Olivares CPA's. The potential of that cultivation and its response to proper attention of the fields could be appreciated.

He said that the way to apply work like that done in vanguard cooperatives to cane would be presented to cane agriculture due to the need to greatly increase production in 1982 to meet commitments to the socialist bloc and possible sales of available sugar to the free market.

Our commander in chief indicated that, based on the appearance of the cane, it will not be necessary to wait long to reach an average of 100,000 arrobas per caballeria. This will already be achieved in some CPA's in the next harvest and the state enterprises are working to apply new methods and techniques of cultivation to achieve this as soon as possible. He stressed: "We cannot resign ourselves to 60,000 or 70,000 arrobas per caballeria."

The response of ANAP [National Association of Small Farmers] and the cane cooperatives to this just request by comrade Fidel was immediate and very positive. At this time, all the cane CPA's have proposed and prepared the conditions to reach the goal of 100,000 arrobas per caballeria in their collective cane areas between this harvest and the end of this 5-year period.

Those of us who follow this formidable cooperative movement of our more advanced peasantry closely are convinced that the cane CPA's can reach that average yield quickly. A considerable percentage will surpass it.

Our more than 300 cane cooperatives have enough productive reserves that can be used for this great objective. Nationally, the average area used for cane cultivation in those CPA's is only 55 percent of the total area. The immense majority of those areas are unirrigated and cultivation technology is just beginning.

We are convinced that with material support from MINAZ (Ministry of the Sugar Industry), especially in bulldozing suitable uncultivated lands, with consolidation and organization of the cane areas of the CPA's and with a correct balance of varieties, adequate agricultural technology and plant health protection, it is very possible to increase the present agricultural yields in a relatively short time. The majority of those cooperatives surpass the national average of 30,000 arrobas of cane per caballeria.

The 100,000 arrobas per caballeria or more--in spite of cane rust--have already been achieved by several CPA's, especially those mentioned in Matanzas and the Ignacio Agramonte and Revolucion de Octubre CPA's in Ciego de Avila.

We can add that those cane cooperative members work with strict norms, have organized themselves into brigades, generally have vast practical cane agricultural knowledge and are enthusiastic about working under that new and superior system which offers them infinite possibilities of prosperity in all senses. All this indicates that they will triumph in this task.

It will not be long until this same section of GRANMA will report to the readers that the cane cooperative movement has fulfilled its commitment of an average of 100,000 arrobas per caballeria. This commitment is to the fatherland, the revolution and Fidel.

Cane CPA's Likely to Be First to Average 100,000 Arrobas of Cane Per Caballeria or More in This 5-Year Period

<u>Cooperative</u>	<u>Town</u>	<u>Province</u>
1. Camilo Cienfuegos	Bahia Honda	Pinar del Rio
2. Antero Hegeliano	Mariel	Havana
3. Amistad Cuba-URSS	Melena	Havana
4. Augusto Olivares	Jovellanos	Matanzas
5. Arturo Suarez	Jovellanos	Matanzas
6. RPA	Jovellanos	Matanzas
7. Oriente Aurora	Limonar	Matanzas
8. Alexander Stanbolich	Placetas	Villa Clara
9. Camilo Cienfuegos	Yaguajay	Sancti Spiritus
10. Atria o Muerto	Sancti Spiritus	Sancti Spiritus
11. Revolucion de Etiopia	Ciro Redondo	Ciego de Avila
12. Ignacio Agramonte	Ciro Redondo	Ciego de Avila
13. Jesus Menendez	C. M. Cespedes	Camaguey
14. Leningrado	Colombia	Las Tunas
15. Asalto a Palacio	Puerto Padre	Las Tunas
16. Antonio Maceo	Cacocum	Holguin
17. Jesus Menendez	San German	Holguin
18. Desembarco del Granma	Niquero	Granma

Note: These CPA's are suggested because they meet a number of factors such as: considerable size, consolidated areas, organization of fields, better varieties planted, technical and material resources from the state for adequate cultivation technology, practical agricultural knowledge and continued increase of cane yields since their formation. All of these guarantee the indispensable conditions to meet the proposed goal.

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## RESULTS OF 1980 FOOD INDUSTRY PRODUCTION NOTED

Havana GRANMA in Spanish 24 Jan 81 p 4

[Report by National Food Industry Workers Union: "Workers Affiliated with SNTIA Surpass 1980 Production Quota by More Than 23 Million Pesos"]

[Text] The 32,220 members of SNTIA [National Food Industry Workers Union]--workers under MINAL [Ministry of the Food Industry] and the people's government--met the 1980 commitment to make every effort to surpass the production quota with the greatest economic efficiency. The annual plan was exceeded by 23,548,700 pesos to salute the Second Party Congress and the 10th anniversary of our union which will be celebrated tomorrow in Pinar del Rio.

This involved great effort since there were various problems during 1980 in the supply of raw materials, mainly packaging, which caused delays in the progress of the plans. However, the workers attacked the material problems and overcame them.

## Summary of Results of 1980 Collection of Glass Bottles

	<u>Thousands of units</u>
Rum and wine bottles--Carta Blanca	46,852.3
Beer bottles	18,988.2
Soft drink bottles	667.3
Half-liter bottles	3,945.1
350 cc jars	1,105.4
Omnia jar No. 8 (canned fruit)	4,015.4
Omnia jar No. 5 (canned fruit)	9.9
16-ounce jars (mayonnaise)	2,921.5
24-ounce jars (vegetables)	1,609.2
Catsup	547.9
18-ounce jars	14.4
Compote jars	20,668.5
Total	101,365.1

Note: The efforts of the workers and the cooperation of the people in general in the recovery of glass bottles are indispensable for fulfillment and overfulfillment in 1981.

To give an idea of the economic battle--which is also for our defense--fought by the members of SNTIA, production was behind by about 20 million pesos at the beginning of the fourth quarter.

The missing raw materials began to arrive at the industries. The union called the workers to redouble their productive efforts and try to minimize the shortage. The administrations increased the level of demand with themselves and adopted the best strategies and solutions possible to solve the productive problems. Work was done by everyone--workers and political, union and administrative leaders. Their determination united.

The working class responded as always. The fertile sweat began to run in beneficial streams.

Little by little, they began to progress along the road to fulfillment with quality and efficiency. On 17 December when our historic Second Party Congress began, 618 enterprises and factories had achieved their productive plan for the year. In the remaining 15 days of December of the last year in the first 5-year period, productive value accumulated. By 31 December, the highest volume of production in all history came from the hands and the conscience of the more than 32,000 members of our union.

There were cases like the men at the Pedro Marrero Brewery and the Edible Oil and Grease Enterprise who produced until late at night toward the end of the year so as not to be in the category of nonfulfillers. That would be a labor disgrace.

The people of Santiago are another example of the proletarian conscience of the workers of our sector. On 8 December, with a prediction of lack of fulfillment by 10 million pesos, they met in assemblies in their respective work centers and agreed to develop a production campaign that they called "20 Days of Victory" aimed at eliminating the shortage as much as possible. The plan was left behind. The number of indomitable people grew and on 31 December the provincial global plan was surpassed by 250,000 pesos.

Of course, the people of Santiago were not alone. In all the provinces of the country, great revolutionary passion was placed in the fulfillment of the commitment. In addition, records were set in 15 food categories.

Tomorrow when the Day of the Food Industry Worker is celebrated, homage will be paidly given to the workers of the sector for their 1980 work, especially those in Pinar del Rio who were outstanding in their work during the past 10 years. For that reason, it is the site for the national celebration.

However, there is more to union work than fulfilling its basic task of productive activity. The members of SNTIA have participated in these other tasks decisively and conscientiously to end the year successfully.

#### 1979-80 Harvest

The cutters in SNTIA cut more than 61 million arrobas of cane in the past harvest; 50 percent of the brigades formed cut 1 million arrobas or more. The Jesus Suarez

Cayol Brigade in Ciudad de la Habana and Pedro Marrero Brigade in Sancti Spiritus stood out in this important task with more than 3 million arrobas cut. They won the Special Jesus Menendez Award from the Council of Ministers.

### 1980 Record Productions

<u>Production</u>	<u>Unit of Measurement</u>	<u>1980 Prod.</u>	<u>Previous Year</u>	<u>High Level Quantity</u>
Liquid milk	Thousand tons	672.1	1979	663.4
Beer	Million cases	28.2	1978	27.8
Wheat flour	Thousand tons	269.3	1974	184.4
Canned tomatoes	Thousand tons	28.8	1976	27.5
Canned meat	Thousand tons	33.6	1977	32.2
Yogurt	Thousand tons	46.9	1979	46.5
Cheese	Thousand tons	11.8	1977	10.1
Fruit juice	Thousand tons	11.6	1979	8.7
Bulk raw. for export	Thousand hectoliters	42.6	1979	20.5
Cordial for export	Thousand hectoliters	18.9	1979	16.8
Ice cream	Thousand tons	3.2	1979	2.4
Yeast	Thousand tons	5.7	1979	5.3
Gelatin	Tons	1,253.2	1978	1,172.2
Spices and condiments	Tons	1,436.7	1971	1,213.4
Food pastes	Thousand tons	58.9	1975	53.3

### Work Organization

Payment for yield was one of the basic tasks of SNTIA in 1980.

At the end of the year, 93 percent of the workers of the entire country were paid under this system, 24,120 workers more than in 1979.

Pinar del Rio, Cienfuegos and Sancti Spiritus did best with 97 percent of their workers in this system and collecting bonuses.

Also 4,870 work standards were revised and updated.

We applied the General Wage Reform to 56,192 workers, 68.2 percent of the total.

The active role of the administrative and union management for the achievement of these tasks should be pointed out.

### Education

In 1980, we successfully ended the battle for sixth grade; 25,876 food workers reached this level in one of the most beautiful tasks of the worker movement in these years of building socialism.

SNTIA, aware of the importance of education, is making new efforts to incorporate its members into the second step of this undertaking, the battle for ninth grade.

Fulfillment of Production Plan by Province in MINAL, People's Government Values

<u>Province</u>	(in thousands of pesos)		
	<u>Plan</u>	<u>Real</u>	<u>%</u>
Pinar del Rio	62,916.6	67,104.7	106.6
La Habana	96,310.3	92,402.8	(95.9)
Ciudad de la Habana	579,207.4	592,503.1	102.2
Matanzas	65,236.1	70,331.9	107.8
Villa Clara	167,779.0	169,290.8	100.9
Cienfuegos	73,760.5	67,598.3	(91.6)
Sancti Spiritus	75,650.8	77,781.4	102.8
Ciego de Avila	59,539.8	60,645.3	101.8
Camaguey	114,236.0	117,317.6	102.6
Las Tunas	19,382.7	19,940.4	102.8
Holguin	77,512.3	78,488.0	101.2
Granma	98,287.8	98,211.3	(99.9)
Santiago de Cuba	153,814.5	154,443.8	100.4
Guantanamo	25,467.4	23,939.0	93.9
Isla de la Juventud	23,965.9	26,617.4	111.0
Total	1,693,067.1	1,716,615.8	101.3

Outstanding Production Enterprises

	<u>%</u>
Banes Ice Cream Enterprise (Holguin)	169.3
Regla Bread and Candy Enterprise (Ciudad de la Habana)	150.3
Escambray Dairy Complex Enterprise (Cienfuegos)	148.5
Rice Enterprise (Matanzas)	130.1
Canned Vegetable Enterprise (Camaguey)	129.5
Malagua Vegetable Complex Enterprise (Ciego de Avila)	121.3
Havana Canned Vegetable Enterprise (Havana)	120.2
Soft Drink and Other Beverages Enterprise (Ciego de Avila)	119.6
Liquor and Wine Enterprise (Ciudad de la Habana)	117.9
Cereal Complex Enterprise (Ciudad de la Habana)	113.4
Osvaldo Herrera Packing Enterprise (Villa Clara)	112.5
Dairy Products Enterprise (Santiago de Cuba)	109.5
La Conchita Canned Vegetable Enterprise (Pinar del Rio)	109.1
Havana Packing Plant Enterprise (Ciudad de la Habana)	108.2
Albert Kintz Fine Crackers Enterprise (Ciudad de la Habana)	107.6
Soft Drinks of Havana Enterprise (Ciudad de la Habana)	106.4
Rio Zaza Food Complex Enterprise (Sancti Spiritus)	105.6
Isla de la Juventud Food Enterprise (Isla de la Juventud)	105.0
Granma Rice Enterprise (Granma)	102.8
Edible Oils and Greases Enterprise (Ciudad de la Habana)	101.0

## Other Tasks

More than 3 million volunteer hours were worked in our work centers. This task remains the cornerstone of our work.

In 1980 the "Marches of the Fighting People" were developed. The food workers participated, with all our people, with the revolutionary fervor and clear class conscience appropriate to a union that represents the legitimate interests of the working class.

The work of the innovators was important this year. To cite one case, Francisco Hedreira made his contributions so that his enterprise produced a million more cases of soft drink than planned.

The food workers had a distinguished position in the study circles of the workers with more than 85 percent participation.

It would be impossible to cite the efforts of more than 80,000 workers during the year in such a small space. For that reason, we merely want to reflect the most significant tasks.

On this 25 January, Day of the Food Industry Worker and 10th anniversary of the SNTIA, we Cuban food workers are celebrating with wholesome proletarian pride. We know that we still have problems to eliminate but we share this proletarian shame.

At this time of inventory, we are pleased because the great efforts of our workers achieve the proletarian spirit that Fidel demands.

The people for whom we work, the party and Fidel can depend on us. We will make the motto "production and defense" valid; we are workers and soldiers. We will always be on the front line for quality and efficiency.

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## GUILLERMO GARCIA CLOSES RAILROAD WORKERS DAY

Havana GRANMA in Spanish 31 Jan 81 p 4

[Speech by Guillermo Garcia, member of the Political Bureau of the party and minister of transportation, at the national celebration of Railroad Workers Day held in San Luis, Santiago de Cuba, 29 January 1981, "Year of the 20th Anniversary of the Bay of Pigs"]

[Text] Comrades:

Railroad Workers Day is a synthesis of the effort, tenacity and responsibility of thousands of workers who for years have given the best of themselves to maintain and develop the railroads.

In joining together to celebrate such an important event, we do so with the certainty that the example of the most outstanding workers present here today will be the model to follow in the new phase upon which we are now embarking. We are convinced of this because we know what workers in this sector are made of, for they let no obstacle impede their progress toward higher objectives.

The enormous resources that the country has invested in the program to rebuild and modernize the railroad are common knowledge, and while it is true that the investments planned for the preceding 5-year period have not matured, one must recognize that the means we have have not been sufficiently exploited, that there exist enormous reserves that are not utilized and finally deteriorate as the result of irrational and irresponsible operations.

We are all aware of this because in the final months of last year, there was a whole discussion process among the rank and file culminating in the railroad assembly held in Camaguey City. With the critical spirit characterizing our revolutionary process, all the irregularities, deficiencies and difficulties affecting the railroad were discussed in depth, openly and with the necessary frankness, the only way to get at the root of this situation.

We must place special emphasis on breaking with the sometimes idyllic, sometimes conservative concepts that prevent us from taking advantage of our existing resources. We must start from the fact that given our conditions, the railroad is an extremely important means of transport and consequently, it must be used as such.

In reviewing certain indicators for 1980, we realize that efficient levels of operations have not yet been reached.

Concerning freight, we failed to transport a million tons and although the figure is up 4 percent over 1979, we could very well have carried out the plan for the year by taking measures in time, because the equipment and labor force exist to do this and much more.

In analyzing traffic, we note that the year's plan was exceeded by 3.7 percent and that the figures are up 13.5 percent over 1979. This shows a positive trend, but although it is an important achievement as a result of the effort made, a great deal remains to be done in this direction.

The conditions of our country and our national economy confer exceptional importance on the railroad in long-distance freight transport.

Our country is a long, narrow island with an open economy based on foreign trade. Almost all of this trade is through the ports toward which and from which large volumes of goods are generated. Moreover, there are long distances between sources of materials and manufacturing centers.

All of this requires massive long-distance transport for which purpose the railroad is ideal.

Whence the importance of traffic as an essential indicator in this sector. It must not be neglected because as long as we do not achieve optimum parameters, the very raison d'être of the railroad as an economic means of transport will not be fulfilled.

#### Maximum Use of Equipment

For overland transport, one maxim constitutes the very source of its existence: movement with freight and passengers. Consequently, equipment must be used to the maximum extent in keeping with established parameters so as to obtain the necessary performance. When this principle is violated, the consequences are incalculable because not only do we transport less, but rather, operating expenditures rise substantially, with the well-known effect on the economic efficiency of the railroad and economic plans.

We have a long way to go here because in evaluating performance, we find that the daily time of use of a locomotive has dropped 2.3 percent and the use of the total rolling stock is still low. Productivity of cars is only 70 percent. Static freight per car is at a standstill and the gross traffic hauled per horsepower is down 11 percent. In examining these indicators and without going into others, we immediately see the low utilization of equipment. Nevertheless, trains are constantly delayed because of a lack of locomotives or cars. It may seem an inexplicable contradiction that with insufficient use of the rolling stock there would be cancellations because of a lack of equipment, and yet, this is the case because of certain technocratic and petty criteria in the use of means of locomotion and hauling. In many occasions, the use of equipment is limited and yet no rule exists requiring the same. There are only narrow technological considerations and alleged complexities in machinery and other factors without any justification.

We must start from the fact that equipment must be used to the maximum, as recommended by the technical documents. Trains must run completely loaded, based on the traction capacity of locomotives and loaded cars and their maximum capacity. We must do our utmost to avoid the use of heavy equipment in the yards, to use trains with few cars. Finally, we must make optimum use of means of traction and hauling.

Another factor to be taken into account is the commercial and technical speed, which has been reduced compared with previous years and without any technical justification. One might argue the poor condition of certain tracks, delays in yards or stations, breakdowns, in short, countless difficulties, the majority of which can be solved if one properly analyzes the factors involved and takes the proper measures. For example, there are sections of tracks that must be repaired, but there are others demanding maintenance and periodic attention. At times, because a tie or rail is not replaced or because the track is not properly trimmed, velocities are limited for long periods of time. The same is true of breakdowns, some of which could be eliminated with a good inspection at points designated. Others could be taken care of by quality work in the shops. That is why it is necessary to give all the help and authority possible to maintenance shops.

I should like to take advantage of this opportunity to speak about one very important aspect in the use of the rolling stock, which has to do with the rotation of equipment.

As you know, a noteworthy effort has been made in all provinces in recent months, under the leadership of the party, to improve efficiency in the port-transport-domestic economy chain. This has resulted, among other things, in a steady reduction in delays in freight operations and the unloading of rail equipment. By the middle of January of this year, an average of only .11 day delay had been lost for equipment.

We feel that this achievement has not yielded the desired results in rotation of the rolling stock and that behind organizational deficiencies is concealed a considerable reluctance to improve the figure. This indicates that there are internal reservations in the operation of the railroad not attributable to delays in loading and unloading operations.

Consequently, I believe that the Operations Division of the Railroad Union and its Divisions should keep a closer watch on the behavior of indicators for the technical and economic operation of the rolling stock. For example, we have the indicator that measures the number of kilometers traveled for every hour the engine has worked. This is not at a satisfactory level, which shows that the trains are not traveling at a required speed and that the equipment is operating unnecessarily at a standstill. This logically affects rotation and implies that these trains should go for repair without actually having been used up to capacity.

The Operations Divisions of the Railroad should improve operations having to do with the makeup of trains, improve coordination with shipping enterprises and internal economy and organize traffic in such a way that the trains run to the maximum extent and fully loaded.

We believe that with the results obtained in the loading and unloading operations, if we manage to improve the organization or the different phases of traffic, we can take a considerable step forward in the rotation of equipment and thereby increase freight transport without any need to expand the rolling stock.

As one can see, the railroad is an integral, harmoniously structured system in which, when one of the links fail, there is no end to the consequences. The entire structure is affected.

#### No Violation of Rules

In this type of transport, one cannot violate the rules and standards governing operations. To do so is equivalent to inefficiency in operation and a deterioration of technical conditions. There is universal experience in railroading that cannot be ignored. On the contrary, one must make maximum use of that experience, that which is most suitable to use based on our own conditions, always bearing in mind the level of development achieved by workers and officials. One must also remember the conditions of the infrastructure so as not to be guilty of super-modernist positions which, far from resulting in accelerated progress, hinder and sometimes destroy all that has been achieved in one phase.

That is why we must work with our feet on the ground, as they say, move from the simple to the complex with sufficient time so as to create conditions permitting the gradual assimilation of the most modern techniques that exist in railroading. One must make maximum use of equipment and means on hand and repair or replace elements which, based on their obsolescence and deterioration, are no longer technically sound.

In order to make progress in railroading, the premise to be followed must be: to consolidate the system so as to give the necessary boost at the proper time and thereby raise indicators of efficiency to their maximum expression.

In order to do this, it is necessary to combine different factors, including, as principles and methods of management, organization, training and discipline. In railroading, these elements play a prime role because there cannot be safe operations with quality and efficiency unless the structure operates with precision.

Management in socialism becomes essential in production. The use of proper methods in the labor process results in successful performance.

In order to manage effectively, it is not enough to have technical knowledge or personal experience. One must also have a close relationship with the workers, know their opinions, compare their practical experience with provisions established. Who is in a better position than a skilled engineer to know about the performance of the equipment over a period of time? Likewise, we can go to the technician in the workshop or the track crew chief. Combining technical knowledge with practical experience, drawing the best conclusions and applying them, leads to positive results.

One must hear the opinions of the most highly skilled workers with rich experience in railroad operations and take advantage of their knowledge. When one violates this principle and when the cadre self-sufficiently believes that he is a better master than anyone else of railroad secrets, he is unwittingly making a mistake that in the end has harmful effects on smooth operations. This style of work must be completely eliminated if we want to move ahead with prestige and authority.

In the organization of the railroad system, we must also take sure steps making it possible to establish flexible and certain methods of management. The current structure must be improved, based on universal experience and the criteria of advisers. We must not invent what has already been invented, but rather, create on the basis of what has already been established, seeking formulas helping to work and operate the railroad with greater efficiency.

Likewise, the technology of the equipment now in operation is the most advanced and its use is complex. It is therefore necessary to have highly skilled and experienced personnel in order to obtain the maximum benefit and have a service in keeping with the needs demanded by our economy. We must pay attention to the railroad technologists and work closely with the administration of schools. Above all, we must carry enthusiasm and the prospect of the new railroad that they will help operate to them, bring the old workers together with the young, transmit to them what is most healthy and pure in the railroad tradition.

We must look at the young people entering the field, how the new blood will continue the work of the veterans in the sector. At the official opening of the first section of track in 1975, Fidel said: "We must take from the old generations of railroaders their spirit of sacrifice and self-denial," and then added: "From them, our young people must take their example and their virtues, while contributing their new blood and the indispensable technical knowledge that will be required to operate these modern railroads."

These words sum up the necessary tie between young workers and veterans, but putting it into practice means the application of established programs. The railroad Union and administration should draw up joint plans whose essential objective will be to promote meetings between the new and old generations, avoid the platitudes that cause so much harm and with the passion of those who view the railroad as part of their very lives, inject the enthusiasm and pride of belonging to a sector whose history is filled with fine pages of struggle and self-denial.

We are sure that the spirit that now reigns among the railroad workers will make this necessary, useful and noble purpose a reality.

We are living through a phase that promises optimum results. At the recent railroad assembly, held in November of last year, we discussed various problems substantially affecting railroad service in great detail. But the benefit was not solely to be found in the questions debated, but also in the manner in which they were debated. Above all, one could see a desire to resolve difficulties getting in the way of safe and efficient operation.

The very controversial subject was railroad discipline. We mainly wish to spell out a number of concepts whose importance makes clarification necessary.

It is a well-known fact that discipline in the railroads has been breaking down for different reasons. The negative effect was reflected in a service that could be labeled as extremely poor and above all, that generated material losses we could not tolerate because of their magnitude. Various causes that it is not necessary to enumerate were involved; they were known railroad workers.

### Discipline Essence of Operation

Discipline in railroading is the very essence of its operation. Without it, operation becomes impossible. This is the product of a series of standards and regulations that make up the operations of an ensemble in which the workshops, stations, track gauges and countless other small details participate, all important elements enabling trains to run from their point of departure to their destination. Here the role which the workers plays in the entire system is obvious.

When these links that make up a system are scattered or not coordinated, the conditions exist for disorder. Responsibilities are diluted and a situation bordering on anarchy is generated.

To consider discipline through the use of coercion as the prime element, without bearing other factors in mind, is almost to ignore the principles governing the socialist management of the economy. The use of discipline is for everyone, not just one part. It does not only affect workers, but also those who manage. This must be borne in mind when discipline is to be applied.

With the help of the most qualified and experienced workers, we are now updating and improving the existing regulations and provisions for the purpose of eliminating anything that might be an object of confusion and controversy, clearly and precisely establishing principles and norms for the best utilization and operation of the railroad. In other words, we are taking serious steps in that direction, steps that will certainly help improve the level of operation.

With the union rank and file, we have already worked out and discussed the proposed Railroad Discipline Bill, which must be discussed and passed by the Council of State.

Here it is necessary to point out a number of considerations for the purpose of clearly defining the importance of labor discipline in the railroads. In any industrial process, this constitutes an element of prime importance in guaranteeing successful production of capital goods. Any alteration in this process leads to losses in final results and naturally, to a drop in value created, an alteration in costs and other major and minor consequences.

Because of their nature, the railroads take on an organization that is almost military and as a result, labor relations essentially contain the principle of a hierarchy.

It is this way in all countries of the world, with individual differences, but the principle is the same. Therefore, we invent nothing new when we propose to march down the same paths.

The proposed law is the first step in that direction and all workers are aware of that need.

In this connection, Lenin said that "unconditional submission to a single will is absolutely necessary for the success of the labor processes, organized in the style of great mechanized industry. For the railroads, this is doubly and triply necessary."

As one can observe, with the logical differences resulting from the characteristics and development of every country, the operation of the railroads is organically similar.

When one aspires to operate with precision, which is the goal of the railroads, one must obey orders without argument, comply with regulations and existing provisions to the letter. In short, one must submit to the hierarchy and anyone who is not willing to do so cannot belong to this iron army.

Naturally, in the application of these principles, there can be no arbitrariness or whims on the part of some, who would do more damage than a "bull in a china shop," to quote a popular saying.

These ideas in no way contradict the foundations of collective management; rather, they strengthen it. Turning to Lenin once again, he said that "one must learn to combine the democracy of the public discussions of the working masses, which are as tumultuous as the rushing waters of spring, with iron discipline at work, with unconditional submission to the will of a single person, of the Soviet leader during working hours."

This does not mean that submission is not to the class enemy. It is to the official designated by the proletarian state, in other words, to the representative of the working class in power.

#### Strong Union

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In addition, there is a strong union whose function it is to educate its members in the performance of their duties and to enforce respect for the rights of the workers.

We are sure that these ideas will be enthusiastically received, emerging as they do from the impious need to see that the railroad takes the path of reliability and punctuality.

Through its national union, the workers movement has developed a movement of emulation that is gaining strength among the workers and whose political and economic results are already a reality. We are referring to the vanguard movement, which has already incorporated countless workers who are willingly hauling thousands of tons.

Inspired by the example of these outstanding workers, we must develop emulation at all levels, based on concrete indices that reflect in a simple, comprehensible manner the objectives for which all workers must opt. When these goals are totally achieved, the results will certainly be economically more solid and politically more educational.

The proper time to begin the necessary effort is now. The objective and subjective conditions have been created to advance at an accelerated rate in the reorganization and restructuring of all the elements making up this activity.

There are still many difficulties and deficiencies standing in the way of satisfactory results, but they will be overcome with the help of everyone.

The itinerary, the very conclusion of a whole series of efforts, has not achieved the desired stability and until it has, all the work done will be in vain.

Services, along with productive processes, are measures by results and results in the railroad is the itinerary of passenger trains. That is why the tenacious struggle is to win the battle on all fronts leading to final victory.

On 29 January 1975, the commander in chief said that "this effort will be judged by the efficiency with which the railroads operate, by the punctuality of our railroads." He went on to say that "with the conditions that will be created, we will have such a modern, well-equipped railroad that it will be able to operate with the precision of a watch, a watch that runs well, a watch that is never slow or fast."

We are therefore preparing with the enthusiasm and energy inspired in us by our party and our commander in chief. If we get out areas of inefficiency out into the open and discuss them critically, it is for that purpose. We are not afraid to admit the truth. We are told to do so by our leaders and our party. It is not important if some ill-willed ignorant persons scoff at the current situation of the railroads. We shall show them that there is enough pride, tenacity and courage in the railroad workers to bring their railroads up to the level of the best.

The situation we are beginning with the Camaguey assembly on the railroads is different. The seriousness and enthusiasm with which our workers are facing their task augurs well for a future full of optimism that will undoubtedly result in more efficient service.

Today, when our people join en masse the Territorial Militia Units, the railroad workers, faithful to their proletarian and fighting tradition, will be in the front ranks as outstanding soldiers in the units of their territory and as vanguard workers at their work station, always ready to set an example, in their struggle and in production.

Comrade railroad workers, at a time when the ideological struggle grows more acute between the two systems and could lead to physical aggression, let us go out with a greater fighting spirit to fulfill the two basic tasks: work and defense!

On behalf of the commander in chief, we congratulate you on Railroad Workers Day, certain that once more, the iron army will respond!

Long live Railroad Workers Day! Long live the workers movement! Long live our party! Long live the commander in chief! Production and defense! Fatherland or death! We shall win!

**ARMY PUBLIC RELATIONS CHIEF DISCUSSES SUBVERSION**

Guatemala City PRENSA LIBRE in Spanish 7 Feb 81 pp 16, 77

[Text] "Subversion in the country is going through a considerable crisis; it is kicking, worried because it is falling apart, and has therefore stepped up its acts of terrorism."

The foregoing statement was made yesterday to PRENSA LIBRE by Francisco Djalma Dominguez, army chief of public relations, in analyzing the subversive operations which have been carried out recently in the capital and some departments.

"It is easy to notice the crisis facing subversive elements in the country. We are currently witnessing," he noted, "how they are assassinating, without taking any risks, policemen who are doing their duty by being alert in protecting the citizenry.

"Guerrillas are also planting bombs, carrying out sabotage and setting traps, which have failed, for army units, and subversives are the ones who have fared the worst."

**Reason for Increase in Their Operations**

The army public relations chief pointed out that "subversives are really very confused now, worried because many of their members have understood that terrorism is not the way to solve problems.

"Some people who formerly supported or simply admired subversives," he said, "now abhor and condemn them, because they are responsible for the grief and suffering which they have caused.

"In other words," he added, "the citizenry itself is tired of acts of violence and wants peace and tranquility.

"As a result," he continued, "guerrillas are stepping up their criminal operations, not only to spread terror among the citizenry in general, but also to frighten their former supporters."

### It Is Kicking

"When animals are in a place of slaughter, or when they are slaughtered, their last recourse is to kick. This means that they kick out as their last resort, even though it does not mean that they can save themselves, because they die in the end.

"This is precisely what is happening to subversives today. They don't know what to do, they are out of control, they are making terrorist attacks, but everything they do turns out wrong.

"That is why," Djalma concluded, "they have now stepped up acts of violence."

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**APOITICAL CHARACTER OF LITERACY CAMPAIGN PRAISED**

Guatemala City DIARIO DE CENTRO AMERICA in Spanish 26 Jan 81 p 3

[Editorial: "Making Guatemala Literate Strengthens Freedom and Makes Dignity a Reality for All Residents"]

[Text] Today marked the beginning of one of the most important events which has ever occurred in the country's history with respect to culture and to increasing the people's abilities to build better lives for themselves.

This week Guatemala began its vast literacy program, which will include more than 50,000 persons as teachers, will mobilize nearly 100 million quetzals and will bring the alphabet to 2 million people.

The literacy campaign will provide most of the population with knowledge that will enable them to develop by making the best choices in the most varied areas, ranging from health and nutrition to agricultural techniques, crafts and citizenship.

Neighboring socialist countries have turned the literacy campaign into an instrument of propaganda, penetration and political warfare.

Reading and writing instruction in those countries has been carried out on a mass scale because it has been used as part of a penetration aimed at dominating, subjugating, mediatizing and manipulating the minds of the respective people, subjecting them to ideological pressure to make them believe that all paths of improvement are tied to socialism and urging citizens to lead lives of sacrifice, to renounce their own well-being and to give up their rights and liberties in favor of a system which is actually nothing more than a group of leaders enthroned in power, who subjugate the population and who put the country in the service of the interests and strategy of the Soviet Union.

This psychological, political weapon has been put into operation with the speed required by those regimes so that the people will not wake up, will not become aware that their freedoms have been taken away, that they have been sold to powers alien to that of the country itself.

Next, the aforementioned systems use politicized instruction in reading and writing as a means of foreign propaganda, aimed at creating attitudes of disgust, protest and dissatisfaction among neighboring peoples, making them believe that their illiterate inhabitants are a result of their governments' inefficiency, indolence and lack of concern for the improvement of such sectors.

Guatemala is carrying out its greatest literacy campaign without the venom of political indoctrination. Citizens are being taught to read and write in order to increase their abilities to exercise their rights and liberties in the best possible way. They are not being taught to read and write in order to enthrone factions in power and to require decades of sacrifice for the sake of ideals that will never be realized. On the contrary, Guatemala is carrying out its literacy program so that citizens will become more aware of the value and operation of the representative democratic system, which accepts and respects the people as trustworthy and as the sole repository of power, and to make them aware that it is the people who, through their right to vote, delegate to representatives--i.e., people exercising public office--the functions of governing for periods set forth in basic laws, and that the choice of elected officials is actually open to all.

Making Guatemala literate increases the abilities of citizens to improve themselves economically, culturally and civically. Literacy in Guatemala strengthens freedom and makes dignity a reality for all of the country's inhabitants.

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## UNITED STATES URGED TO REEXAMINE POLICY TOWARD COUNTRY

Managua LA PRENSA in Spanish 3 Feb 81 p 2

[Editorial: "The United States and Us"]

[Text] We are exceedingly concerned about the tense, gloomy situation which has been developing with respect to U.S. relations with our country. We believe that at this crucial time America must present to the world relationships among its peoples and countries that are examples to other continents proving that the sons of Washington and Bolivar, of Lincoln and Sandino, have not lost faith in civilized means of international understanding and dialog.

For centuries, Nicaragua has been the victim of offenses, invasions and intervention by foreign powers and this painful background--which has produced exasperation in some and in others a just sensitivity to everything concerning our sovereignty--must be considered by the United States in its dealing with us. There is a wound, not caused by us but by the poor treatment received in the past. The fight against Somoza, a ruler supported to a good extent by an erroneous U.S. policy, cost the Nicaraguan people an immense sacrifice.

It would therefore be unfair for President Reagan, in reviewing relations between his country and our own, to ignore these historic realities and to use hostile rather than understanding methods. For faith in democracy and in its superior, humane methods of international negotiation to continue, the United States must first review its own past and do better in cases such as that of Nicaragua, a country which has had the role of victim for too long. It would cause irreparable damage to that faith for the United States to be hasty in changing its policy toward Nicaragua, cutting off its economic aid and funds to us.

The United States cannot be guided by prejudice, judging the Nicaraguan revolution to be already defined when we are still defining it. It would be a radicalization of its process for hasty or biased measures to be taken by those who have assumed the leadership of democracy and freedom in the world. Sacrificing a people never brings favorable results to anyone. Given the situation of our people, following an earthquake, a genocidal and destructive tyranny and a bloody war of liberation--tragedies suffered one after the other--any hostile or repressive move economically would mean a real holocaust of incalculable consequences.

We have no doubts that Nicaragua is in turn obliged to also demonstrate the clarity and sincerity needed for making decent and beneficial relations possible for both sides.

"The Nicaraguan revolution was a necessary revolution," Dr Geissler, general secretary of the German Christian Democratic Party, said with clear understanding during a recent visit. Based on an understanding of this necessity, friendly democracies--those which have so generously helped us with our reconstruction--must take into consideration that our revolutionary process, precisely because it is revolutionary, is a combination of tensions and harmonies, of forces and reactions in action, which at times are confusing abroad. However, it is not by stifling the process of self-determination that one can help the best forces within that process, but rather by encouraging them and favoring all of the people with an intelligent policy of respect and understanding which, in our case, would also constitute reparation for old injuries suffered.

Democracy is harvested if democracy is planted. This is our view and we present it to the United States with the authority which may be given to our voice by the track record of this newspaper, which has been unyielding in its fight for that democracy.

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## REPORTAGE ON CONFLICT BETWEEN GOVERNMENT, UNITED BRANDS

## Negotiations Held

PA291841 Panama City Televisora Nacional in Spanish 2315 GMT 28 Mar 81

[Text] While the time is approaching for a new shipment of bananas for the multinational banana marketing corporation [COMUNBANA], the Panamanian Government and the United Brands Company are intensifying negotiations so that the transnational company will fulfill its 1974 contracts. Last night, special bulletins indicated that the negotiations have not been easy and local sources expressed fear that forceful measures, such as an expropriation by Panama, would be taken. Nevertheless, Agricultural Development Minister Alfredo Oranges referred to the issue in the following way:

[Begin recording] First of all I would like to clarify the term, expropriation. We have not used the term to state that an expropriation will definitely take place. The national government is demanding that United Brands and its subsidiary in Panama, the Chiriqui Land Company, comply with the contracts. I repeat, that they comply with the contracts. If we are unable to reach a favorable agreement through negotiations, the government can undertake a number of possible actions before it carries out an expropriation. We do not think the latter is the best path. Panama has always gotten good results from the path of dialogue and talks in all the negotiations it has carried out, so we do not see why it should not work in this case. This is particularly true, since United Brands President (Seymour Milstein) in a letter to me expressed the company's willingness to negotiate. We have reiterated our willingness and we are holding talks.

[Question] What is Panama's and COMUNBANA's position regarding the company's international campaign?

[Answer] Panama disagrees with this campaign. We have learned that the company has made comments that are not favorable to our country and COMUNBANA internationally in the most important banana markets. This bothers us because at no time have we mentioned the company's constant opposition and actions to block the COMUNBANA shipments.

[Question] Although COMUNBANA is made up of several countries, only Panama is providing bananas for export. Do you think the U.S. transnational company's campaign could frighten other countries from participating in the actions of COMUNBANA?

[Answer] I think it has just the opposite effect. I think it will encourage other countries to contribute to a system that is part of an alternative for marketing their basic exports. We cannot criticize other countries. Each country has to make its own sovereign decision on whether or not to contribute fruits. However, I would like to add that Panama can do so thanks to the contracts signed with United Brands in 1974. I can say that a second country, very near to us, will shortly contribute fruit to COMUNBANA. This will make not only COMUNBANA but the whole region very happy since we have to find an alternative for marketing our products, participating in the transport and marketing of exports. (end recording)

#### Nationalizing U.S. Subsidiary

PA282246 Panama City Circuito RPC Television in Spanish 1715 GMT 28 Mar 81

[Text] The Panamanian Government is studying how to intervene in the Chiriqui Land Company, a subsidiary of the U.S. transnational firm, United Brands. The government wants to enforce the contracts that that banana company signed with a state corporation.

Agricultural Development Minister Alfredo Oranges is currently analyzing the possibility after facilitating all means for negotiations with the transnational company.

The Chiriqui Land Company has a contract to supply fruit to the multinational banana marketing corporation, but in the past few months it has refused to supply any fruit.

The authorities have repeatedly warned the officials of that company that its intransigence will force the government to cancel the company's activities here in Panama. Should the present situation continue, the company might be nationalized.

#### Stopping Chiriqui Ships' Departure

PA302249 Panama City ACAN in Spanish 1450 GMT 30 Mar 81

[Text] Panama City, 30 Mar (ACAN-EFE)--The Panamanian port authority will prevent ships of the "Chiriqui Land Company," a subsidiary of the U.S. transnational "United Brands," from weighing anchor as long as that fruit company continues to violate a contract with the multinational banana marketing corporation (COMUNBANA). Sources close to the banana activity in Panama reported this here today.

The Chiriqui Land Company, which operates in western Panama, has a contract to supply COMUNBANA with bananas but this company has refused to do so over the past few months.

It was explained that the country's port authority will not authorize the departure of any Chiriqui Land Company ship until it supplies the fruit to load the COMUNBANA ship.

Sources linked with the port authority reported that the loading process of the "Musa" ship, owned by the Chiriqui Land Company was interrupted after it was loaded with some 12,000 40-lb boxes of bananas of a total of 110,000 that this transnational firm will export to the United States.

The Panamanian Government has said that it will continue to hold talks with the transnational firm but warned that it will not tolerate delaying measures or actions against the country and COMUNBANA, made up of the governments of Colombia, Costa Rica, Honduras, Nicaragua and the Dominican Republic.

However, the authorities are examining the possibility of intervening in the transnational firm after making it comply with the contracts to supply bananas to COMUNBANA.

#### **Negotiations Concluded**

PA310439 Panama City Televisora Nacional in Spanish 2315 GMT 30 Mar 81

[Excerpt] The Panamanian Government and the United Brands concluded their negotiations last night whereby United Brands agreed to honor all contracts in effect since 1974.

The decision will permit the Chiriqui Land Company to proceed to load 55,000 crates of bananas belonging to the multinational banana marketing corporation, COMUNBANA.

The costs caused by the delay due to the negotiations will be covered by United Brands.

CSO: 3010

## COLUMNIST CLAIMS CASTRO TO BLAME FOR COOLING OF RELATIONS

PA252113 Panama City LA ESTRELLA DE PANAMA in Spanish 25 Mar 81 p 48

[From "The Griper" Column: "Fidel Brought it Upon Himself"]

[Text] No one, not even the extreme radicals, can argue that Panama and in particular the October revolutionary process and its leaders did not have a policy of understanding and of searching for a solution to the drama being experienced by the Cuban people. Nor can it be said that this policy was not carried out within the framework of respect and above all, ideological pluralism and the nonaligned movement.

That is why now, when our country through its top leaders has confronted and clearly and firmly denounced Fidel Castro's adventurist policy that endangers the stability of democratic regimes and new revolutionary processes in Central America and the Caribbean, the claim cannot be made that this is a planned campaign against Cuba and its political system or that it is a campaign to help "imperialism" and the "counterrevolution," as has been the usual infantile defense of those who, like Trojan horses, plot 24 hours a day even against those who honestly seek to extend a friendly hand. However, Fidel Castro has shown he is obstinate. His attitude could be seen when he sought to confront and displace as leader that respectable leader of the nonaligned movement, the always well remembered Gen Josip Broz Tito.

Can a radical or Cubanophile deny all the tricks that had to be overcome when Fidel Castro, in open submission to his lords of the Soviet Union, tried to break the just equilibrium of the nonaligned movement in order to surrender the movement to the hegemonic and totalitarian plans of the Moscow bear?

It has been said that the relations between our country and the Castro regime are at their lowest point. There is not the least doubt that this is the logical result of the adventurist and defiant position of bearded Fidel who sabotages and torpedos all the efforts of nations such as Panama, Costa Rica, Venezuela, Colombia and other democratic regimes that are trying to find just and humane solutions to an entire process of strife and destabilization that is filled with sorrow and death.

Putting the Cuban regime in the place where it belongs deserves the support of all Panamanians. Fidel Castro has brought it upon himself. He has begun

to find the consequent replies to his adventurism. He persists in exporting communist guerrillas to sow violence and chaos in sister countries which are tirelessly struggling with their limitations against the serious problems of underdevelopment.

There are some who think that Fidel Castro's unbalanced trend to destabilize all the Central American and Caribbean area is due to his own belief that he has failed and the certainty that the now shaken socialist camp, due to the conflicts of Poland and Afghanistan, is in no condition to fully and sincerely support him.

That is why, just as he did not hesitate to dispute the well-deserved leadership of an authentic leader like Marshal Tito, now distrustful and unsure of his internal front, besieged by the setbacks in Africa, Portugal, Peru, Ecuador and other problems, he has radicalized his adventurism even at the cost of the policy of coexistence and detente of the social camp.

Panama has acted well in shaking off bearded Fidel. However, this does not mean that the honesty that characterized us in trying to help the Cuban people will not continue to be a goal of the Panamanians.

Panama has strengthened its democratic system as a result of the firm and clear actions of its top leaders.

CSO: 3010

## FOREIGN MINISTER REPLIES TO LETTER ON LAW 96-70

PA291721 Panama City MATUTINO in Spanish 26 Mar 81 pp 6-B, 8-A

[Letter from Foreign Minister Jorge E. Illueca to Saturnin G. Maugo, secretary general of the Union of Panama Canal Commission Workers, dated 25 March 1981]

[Text] Mr Secretary General: This is to acknowledge receipt of your letter of 18 March 1981 in which you transmit to this Foreign Ministry the information, already reported in the media, regarding the intention of the Federal Labor Relations Authority (FLRA), to carry out certain actions within the jurisdiction of the Republic of Panama in violation of the stipulations of the canal treaty and its annexed agreements.

In this regard, I wish to inform Local 900, through your worthy person, that on 12 November 1980 this ministry, through our embassy in Washington, sent to the then U.S. Secretary of State an extensive document listing the Republic of Panama's objections to Law 96-70, approved by the U.S. Congress in September 1979, and to the manner in which that country has been implementing the Panama Canal Treaty. In the aforementioned document, our government emphatically stated to the State Department that the provisions of Law 96-70, on which it bases its actions in the Republic of Panama, not only violate Panamanian sovereignty, but also the Panama Canal Treaty.

You may be certain that the national government fully shares the feelings and concerns that Local 900 outlines to us in the letter of 18 March 1981 and that this Foreign Ministry is taking the pertinent steps and will exhaust all resources at its disposal to prevent the cited U.S. federal authority from effecting or carrying out jurisdictional actions in the national territory in violation of our sovereignty or of the terms of the Panama Canal Treaty.

Respectfully yours,

Jorge E. Illueca, minister of foreign Relations.

CSO: 3010

## GOVERNMENT, LABOR, BUSINESS DISCUSS LABOR LAW

PA281512 Panama City Televisora Nacional in Spanish 2315 GMT 26 Mar 81

[Report on interview with Panamanian Labor Minister Oyden Ortega on 26 March; place not given--recorded]

[Excerpts] The National Council of Private Enterprise (CONEP) met today with the Legislative Council Labor Commission to discuss the bill to replace Law 95. The labor minister and his deputy participated in the discussions together with their technical teams.

The 20-article bill was presented by the executive last week, and the Legislative Council promised that it will be discussed with all interested sectors so they can give their opinions on it.

The first sector invited was the labor sector, but it did not attend because its central council has not been completed. Their meeting was scheduled for yesterday. The Labor Commission was not fully represented today when the bill was discussed with the business sector. The legal aspects were discussed mainly by business sector legal representative, Julio Linares. During the 4-hour meeting, the private sector explained all its reasons for opposing the bill presented by the executive. The private sector wanted to exclude trusted employees with supervisory and administrative status from the stability plan.

The labor code grants stability to trusted employees after 5 years of work. The private sector also wants to exclude employees of small business and service concerns from the stability program. This was one of the most intensely debated points.

Labor Minister Oyden Ortega made some remarks to the press.

[Begin recording] Mr Minister, one of the business leaders has said that one of the problems that has hampered national development and worker-employer relations has been the Marxist penetration of some labor sectors. What is your opinion of this?

[Answer] I believe that where ideological pluralism prevails with the participation of all social groups, not only in labor relations but also in the economic, social and political activities of the country, these groups are

going to participate and they are doing so in practice. What we do believe, and this is a fact, is that these groups are not the majority in the country's labor leadership. In our opinion, this is significant. It shows that the relative peace enjoyed by the labor sector also extends to the country's social peace. These groups, which are part of the labor relationship and part of Panamanian society, have so far been able to reconcile the two positions within the country's social and political life. We are in favor of keeping the labor and social spheres open and cannot prevent the participation of these groups.

I believe, rather, that it is a matter of attitudes. The workers must be mature, their leaders must be mature and businessmen must also be mature because in the long run this is what will benefit the country.

[Question] Mr Minister, if Law 95 is derogated, will the country suffer a crisis?

[Answer] I believe that the crises we may have had in 1974, 1975 and 1976 were not the product of any special legislative measure. They were the result of economic and structural situations not necessarily related to a legislative measure. Even after Law 95 was passed the economy did not recover during the following 2 years. The economy did not deteriorate in the years after 1979. However, there was a deterioration in the economy in the years 1977 and 1978, even though Law 95 had been passed the year before, in 1976. This means that it was not the legislative measure which accelerated or retarded economic growth.

Our bill, in the long- and middle-term, could bring a conciliation between the parties because, let us admit it, the two parties are simply holding polarized attitudes. But once this bill has become law, we believe that we will have somewhat improved the current polarized situation between the parties involved in the labor relationship.

There are other things which will not hurt the economy but, on the contrary, benefit it, because there will be greater dynamism. One of them is the salary increase. This is a social measure supported not only by the workers and government but also by the business groups which have said they agree with the salary increases.

The salary increases approved by law will stimulate the economy. They will stimulate a greater circulation of wealth in the country and thereby establish the conditions for greater social stability. [end recording]

CSO: 3010

## BUSINESSMEN, PRESS DISCUSS LABOR PROBLEMS

PA271238 Panama City Circuito RPC Television in Spanish 0300 GMT 24 Mar 81

[Panel discussion with Dr Carlos Mendoza and Albert Vallarino, members of the National Council of Private Enterprise, and local press representatives Ruben Dario Murgas of the Journalists Union of Panama, Emilio Sinclair of LA ESTRELLA DE PANAMA, Julio Miller of RPC Television and Franklin Castrejon of the newspaper CRITICA--live]

[Excerpts] [Mendoza] Friends, Panama is facing a number of serious problems this year. Some of them are new, others have been around for years. According to recent studies, which I have learned about through Jose Jorge Bonamico, there is increasing malnutrition among our children. Our foreign indebtedness is jeopardizing our national independence more than ever. In a way, the public institutions reflect improvisation and lack of solidity and in truth they do not elicit any esteem or respect from either the rulers or the ruled. But above all, it is hard to hold a free and unprepared dialogue because for many years we have been used to remaining silent as a way of expressing our disagreement and to resorting to dithyrambs in order to express doubts.

Referring now more specifically to the labor area, after almost one decade, we have not yet been able to absorb and to integrate into our juridical system the labor code which was partially copied from foreign models. In some aspects, the labor code is incompatible with the national reality and it is only being slowly implemented, it causes conflicts and worse yet, it is hard to understand by either businessmen or workers.

A bill submitted by the Executive Branch to the National Legislation Council, which abolishes Law 95 and dictates other provisions, has once again brought up labor problems for the Panamanians.

Fortunately, that period in which labor and management confronted each other in a surly and belligerent mood is now over. It is possible--and in the past few days we have witnessed this frequently--to hold productive and well-meaning dialogues between those who work and those who control the means of production. That attitude of tolerance and understanding, as well as the aggressive and belligerent use of our freedom has brought us, Mr Vallarino and myself, tonight before a group of newsmen and public opinion. Both of us are united by the firm conviction that before and above anything else we are Panamanians, that we were born in this country and that we are firmly determined to stay here

for however long we live. The two of us are obstinate believers in the positive aspects of constitutional democracy and in the possibility of holding a frank and sincere discussion. We have great faith in the solidarity of all social classes for works aimed at bringing about common benefit and common progress. Regardless of the price, we are also as attached to our condition as free men as we are sure that generous doses of social justice must be introduced into Panamanian society.

Both Vallarino and I will always be found intransigently and resolutely confronting those who attempt to explain Panama's past and to build its future on the basis of a fierce class struggle.

But enough of this introduction. Alberto and I will gladly answer the newsmen's questions.

[Unidentified speaker] Dr Mendoza, who do you think that the labor code is incompatible with the national reality, is slow and is causing conflicts?

[Mendoza] I said that some of its aspects are incompatible with the national reality. The problem is very simple and it is not new; it has been around forever. We have been in the habit of using foreign models for our laws. Sometimes, we do not adapt those models well or do not do it in a completely suitable manner.

[Castrellon] The National Council of Private Enterprise (CONEP) blames Law 95 for the unemployment problem and in general for the labor problems of the past few years. However, Law 95 was approved in 1976 and in 1977 the private sector's investments dropped from 153 million to 83 million balboas. At the same time, unemployment increased. How can you explain these developments?

[Mendoza] Mr Castrellon, your analysis is highly positive because it shows that the investors' confidence can be lost in a single day but takes many years to recover. From the time a person decides that the climate is favorable for investment, studies a project, materializes it and it begins to bear fruit, 2, 3, 4 or 5 years have elapsed. This is why I would say that the situation is extremely urgent because any change brought about now, which destroys the investors' confidence, would paralyze investments for 3, 4 or 5 years. When 3 or 4 years from now it is decided that an urgent antidote is needed, an additional 3, 4 or 5 years will elapse before there are any results. What you have just said is very true and it was not until 1979 that private investments truly went up and the unemployment rate dropped, mostly as a result of a quite marked increase in employment in the private sector.

Regarding the first part of your question, we have never blamed Law 95 for unemployment. On the contrary, we have said that it has helped to alleviate our country's unemployment problem.

[Murgas] I would like to ask the distinguished panelists, representatives of the private sector, something. There has been much playing with numbers, and at times numbers are dangerous because they are deceptive. It has been said

that under Law 95, there has been a notable decrease in the number of dismissals. But there is a new figure hidden among those numbers. This refers to the famous resignations, or the famous amicable settlements in which the worker, whose job is the only source of sustenance for himself and his family, has to give up his rights to avoid being subjected to a lengthy and tedious trial and at times accepts the crumbs handed out by the management. These figures have been studied by labor unions in Panama and the figures are scandalous. They reveal an almost fascist attitude on the part of the Panamanian business-~~man~~.

[Vallarino] It is really a shame that you did not ask for the figures on dismissals from the business sector. Nevertheless, I think it is worthwhile for the listeners to hear some of the figures that we have obtained from the Ministry of Labor and Social Welfare. In 1973, there were 8,783 dismissals in Panama; in 1976, there were 6,020. Once Law 95 was introduced, according to the figures we have available, dismissals declined to 5,000, 3,265 and 2,892 in 1980.

[Murgas] Excuse me, Mr Vallarino, but I am talking about a new figure, which replaces dismissals. It reflects resignations by workers, and is a figure that you are hiding at this moment. It also concerns amicable agreements.

[Vallarino] Of course. It is surprising that in a country where resignations abound, according to you, and the labor force has been reduced in this manner, employment in the private sector has increased from 99,600 in 1978 to 145,000. It would seem to me that both you and the Panamanian public would agree that this does not reflect a policy of large-scale dismissals, since there has been an increase of about 50 percent.

[Sinclair] All the sectors involved in the problem of Law 95--the state, the workers and your sector--feel that it is necessary to find a law to replace it, one that will be acceptable to the parties involved. If all three sectors are so patriotic, who do they not reach an agreement?

[Vallarino] It has also been said on this subject, my friend Sinclair, that the draft presented by the Executive Branch must be very good because it has been unacceptable to the two sides: the labor unions on the one hand and the private sector organizations on the other.

However, I again turn to experience in collective contracts, which have taught us so much since 1972. To meet the differences halfway does not always bring about just and equitable solutions. It could be terribly unjust for the workers or for the business sector.

To some extent, this is a technical job. It is also partly a statistical task; it is partly a matter of measuring the consequences of particular measures and it is partly a matter that requires social sensitivity. It is a very complicated matter. Is there a willingness to hold a dialogue? There definitely is, and all the sectors have demonstrated this willingness to a greater or lesser degree. However, the problems involved are not easily solved, hence one comes up against situations in which people of good will simply cannot reach an agreement, just as at times they are unable to reach an agreement with regard to a collective contract.

This does not mean, of course, that the problems are insolvable or that the barriers are insurmountable because we have solved them in the past and there is no reason to believe that we will be unable to solve them in the future.

[?Sinclair] Mr Mendoza, permit me to say something. I am speaking about the position of the CONEP, not at present, but rather the future attitude of the CONEP if the draft bill is adopted as presented to the Legislation Council.

[Mendoza] I believe that all the members of the private sector are law-abiding citizens. If the duly constituted organizations of this republic approve legislation--as occurred with the 1972 code--then we will honor that legislation. This will not stop us from launching--on the very afternoon that law is public in the official gazette--a fight to have it amended.

CSO: 3010

## U.S. HELD RESPONSIBLE FOR CENTRAL AMERICAN PROBLEMS

Caracas EL UNIVERSAL in Spanish 20 Mar 81 Sec 1 p 20

[Commentary by Luis Esteban Rey]

[Text] Global Confrontation in Central America

At a time when political events in Central America are becoming more complex, and there are signs in Nicaragua of an increasing intolerance for political groups not associated with the Sandinist movement and for the only independent newspaper that exists in the country (LA PRENSA), we must stress that it has been a serious mistake for the major countries of the region to virtually abandon to the United States the "solution" for a situation which has apparently been turning into another element in the global confrontation between the U.S. and the USSR.

When analyzing the Salvadoran tragedy, it is usually claimed that it is not the doing of Russia nor of the extreme left, but rather has its origin, as in the case of Guatemala and Honduras, and as was the case of Nicaragua, in the conduct of corrupt military-oligarchical dictatorships that have committed all kinds of deprivation and crime against the peoples suffering under their domination, and have ruthlessly opposed the most innocuous reforms.

This is quite true; but we must ask ourselves whether a Cuban-style regime is the best response to a situation repudiated by all the democratic sectors on the continent, wherein much of the blame (it must be said) lies with the governments of the United States and the business firms and corporations of that same country which, for many years, and generally in association with the local oligarchies, have contributed to the plundering and oppression of the peoples of the area.

## The Serious Responsibilities of the U.S.

A few days ago, in San Juan, Puerto Rico, Henry Kissinger declared that he was substantially in agreement with his country's foreign policy, although he termed it a "public relations" mistake to make El Salvador a test or example of East-West relations. He then criticized the Carter policy in Nicaragua, to which he attributes the fall of Somoza, adding: "I spent 8 years in the government without devoting very much energy to Nicaragua, because I thought that if they were not doing anything against us there was no reason to do anything to them, as was

done by those who followed us in the government, and who decided to get rid of Somoza, which proved successful."

With this statement, the former secretary of state admits, unintentionally, the enormous stupidity that has marked the U.S. policy in the region. Kissinger judged Somoza (and all the other governments) by what might affect the U.S. Everything else mattered little to him. But he forgot that, under governments like that of Somoza (who was a favorite son of the U.S.), people suffer and die, and the time comes when the people's rebellion erupts in an unrestrainable manner. What was seen approaching for a long time in Nicaragua, in view of the indifference of the U.S., a conspiratory indifference because it was a way of supporting the tyrant, necessarily had to explode some day. Carter recognized this fact when the guerrillas were already making progress, but there was still time to establish in Managua a government based on understanding, capable of fostering a real social change, but at the same time one that would guarantee genuine pluralism.

#### **The Nicaraguan Situation Could Be Repeated in Guatemala**

The events in Nicaragua could be repeated in Guatemala (with worse consequences), where Gen Romeo Lucas Garcia's dictatorship has unleashed a cruel repression, not so much against the leftist guerrillas (who are well armed and, to a great extent, protected by their information systems and their clandestine status), but rather against the democratic sectors. Their leaders are assassinated in the streets, as we can often read in the newspapers. Social Democrats and Christian Democrats are shot down by the dictatorship's police or by the rightwing terrorist paramilitary organizations. Moreover, for years persecution has been carried out against the Indians in the El Quiche area, whom they accuse of being communists because they defend their land against the insatiable geophagy of the land-holding oligarchy and its military associates. We may recall the slaughter by the dictatorship's police of over 30 Indians who had occupied the Spanish Embassy as the only means of making their protests heard. The police attacked the diplomatic mission with machineguns and incendiary bombs. For this reason, Spain broke off relations with the dictatorial government. The result of the state of affairs prevailing in that Central American country is that, since the moderate and reformist politicians who could have offered a democratic solution have disappeared, either because they have been assassinated or because they have been forced to flee from their country, the extremist forces of the right and left are maintaining and strengthening their positions. What might happen later is easy to predict. Nicaragua and El Salvador are conclusive examples.

The United States is as responsible in Guatemala as it was in Nicaragua; because the extreme rightwing dictatorship which is now oppressing the Guatemalan people is a result of the military coup overtly and brazenly fostered by the U.S. against President Arbenz in 1954. It is quite logical and natural that Gen Romeo Lucas Garcia should feel more protected than ever by the United States, now that there has been installed in the White House a president who has decided to send to perdition what is known as human rights, and who is quite convinced that the communist penetration in the region can be combated by disregarding what the people think and desire, namely, their liberation from the burden of poverty and despotism.

Last Wednesday, in the House of Representatives, Secretary of State Haig stated that what is occurring in El Salvador is part of a communist strategy to be

carried out in four phases. The first phase concluded with the "capture" of Nicaragua; the next will be El Salvador; and then Honduras and Guatemala (EL UNIVERSAL, 19-3-81).

Mr Haig visited the House of Representatives to submit the U.S. foreign aid bill amounting to over \$6 billion, of which sum \$212 million will be allocated for military assistance for countries of Central America and the Caribbean. The appropriation is small, but sufficient to entrench governments such as those of Guatemala and Honduras in power, and also to lend greater strength to the Salvadoran military who, on some occasion (as we have already cautioned previously), could send Jose Napoleon Duerte and his Social Christian comrades packing.

#### Venezuela's Serious Involvements

Is it perchance feasible for our countries to leave in the hands of Washington the Salvadoran situation which, as Kissinger agrees, there is an attempt to convert, owing to an alleged "public relations" error (an obvious euphemism), into a test of the strategic confrontation between the U.S. and the USSR? The more the U.S. seeks a solution primarily through military means, the more Venezuela becomes involved in that gory tragedy, even though we understand the good faith and the democratic spirit which originally inspired its policy.

Venezuela and Mexico are key countries in any proposal aimed at calling a meeting of the area's democratic nations to seek a political solution. We already know (and we have admitted it) that this is not easy; but an effort must be made to achieve it. We must not allow a problem of our America, in an area of vital importance to all our peoples, to become a kind of testing ground for the rivalry between the United States and Russia; although the latter would do this through its substitute in the Caribbean, Fidel Castro. We think that, at the same time, an approach should be made to Panama, in order to ascertain the extent to which the arms traffic (a traditional business in that country) could be helping to foment the extreme left's insurrection in Central America.

We do not know the degree to which the Venezuelan democratic sectors are realizing that we are experiencing one of the most serious and crucial periods in the history of the Caribbean and Central America. Dictatorial governments, backed by "leading" classes which, because of their stupidity and blindness, do not deserve such a name, have sown among their people the seed of popular rebellion, and have helped to transfer to our lands the ill-fated, destructive, global antagonism of the super-powers.

#### To Achieve a Zone of Peace

The government of Herrera Campins has constantly reiterated its slogan that the Caribbean and Central America should be a zone of peace; but the rhetoric does not suffice. Political action must be taken to move from words to deeds; and for this purpose there is an urgent need to promote the meeting of countries of the area that we suggested previously. At this point, Venezuela does not know whether our Foreign Ministry is engaged in a policy of the Venezuelan state, whether it is a policy of the ODCA (Christian Democratic Organization of the Americas) or whether the two are confused. In any event, that policy cannot rely on military force, because we might suffer a serious political defeat; but rather on discussion and a possible understanding, which would remove from the hands of the Messrs Reagan and Haig the decisions that, instead of making the region a zone of peace, might convert it into one of interminable and horrendous war.

**EDITORIAL CRITICIZES REAGAN SUPPORT FOR AFGHAN REBELS**

Caracas EL DIARIO DE CARACAS in Spanish 11 Mar 81 p 6

[Editorial: "Reagan and Consistency"]

[Text] According to Pascal, human nature tries desperately to avoid immobility; hence it necessarily tends toward change and movement.

With the presidency of Ronald Reagan, there has occurred that inescapable change in United States policy toward what the analysts consider a return to the basic components of political, social and economic action.

It was assumed that the return of the conservatives to Washington would negate the liberal tendencies of the Carter administration, and its effects were observed immediately in the Central American area. Washington objected in the harshest possible terms to the Soviet, Cuban and Nicaraguan intervention, and that of six other countries, in the Salvadoran conflict.

Despite the terms that were used, the initial impression of the American diplomatic offensive was not negative. From Carter's impassiveness progress had been made to a presence that might check subversive forces. The argument that the Latin American area is not open to free Soviet penetration was convincing to many. On Monday night, Ronald Reagan stated on television that the United States would aid, with arms, the Afghan insurgents who are fighting against the Kabul government and against the 100,000 Soviet troops located in Afghanistan. Moscow's reaction was not long in coming. There, the American "cynicism" caused astonishment, at a time when the Kremlin leadership is attempting to open new paths of dialog and rapprochement with Washington. If changes in policy are to be credible, they must be consistent. The United States is not credible when it denounces the Soviet intervention in El Salvador and, on the other hand, announces that it will aid the Afghan rebels. Policy changes must not merely attempt to avoid immobility; they must be consistent. And one can only detect a consistent line in Ronald Reagan's Afghan statement if one agrees that the President of the United States is willing to challenge the Soviet Union in its own "backyard." In which case immobility would perhaps be preferable to changes.

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CSO: 3010

## EDITORIAL VOICES SUPPORT FOR COPEI EL SALVADOR POLICY

Caracas EL DIARIO DE CARACAS in Spanish 20 Mar 81 p 6

[Editorial: "Central America, a Problem for All Venezuelans"]

[Text] Venezuela's concern over the situation in Central America is fully justified. There is no attempt to have an expansionist destiny, nor to assume improper paternalism. There is an attempt to protect Venezuela's own national interest: There is absolutely no possibility that a country submerged in a sea of instability can avoid the breaking waves. The geographical context determines the evolution of a country, and if that context is marked by general insurrection, political violence and intervention by extrazonal interests, the country in question cannot avoid the consequences.

Venezuela has upheld and practiced the principle of nonintervention; but that principle, which necessitates not taking part in the internal affairs of another state, does not mean that the country must have nothing to do with what is happening around it. It is not the same whether democracy flourishes in Central America or whether the fascist and communist dictatorships are in control. It is not the same whether our neighbors live in peace or whether they are torn apart in civil wars. It is not the same whether Caribbean affairs are handled by the nations of the area themselves, or whether they are the subject of disputes between the United States and the Soviet Union. It is not the same whether Cuba confines the revolution to its borders or whether it resumes the exporting.

The Venezuelan Government is rightfully concerned over the course of events in Central America. On the one hand, the government has believed in the intentions declared by the president of the Salvadoran Junta, Napoleon Duarte, and has backed his efforts to prevent El Salvador from falling into the hands of either form of extremism.

Now, the concern over the fate of Nicaragua is growing. Former Foreign Minister Aristides Calvani, leader of the Christian Democrats in Latin America, has called attention to the progressive deterioration of human rights in that country. Simultaneously, a visit to our country by Comdr Tomas Borge, who represents the moderate wing of the Sandinist regime, has been cancelled.

The Venezuelan position is difficult but clear: 1. The country cannot remain indifferent to events so close, destined to affect its internal situation. 2. The country repudiates the right wing dictatorships, which use repression as a means of

entrenching the wicked privileges of minorities. 3. The country also repudiates communism, which is threatening to create new satellites and to convert the region into an explosive area. 4. The country wants Latin American problems to be resolved by the Latin Americans themselves; and from that standpoint it offers and is willing to expend all the efforts necessary for the attainment of just, democratic solutions for Central America.

These premises cannot be underestimated nor diminished by any political emotions. They must not be viewed as a COPEI [Social Christian Party] plan, nor as a strategy of any international policy: They are the synthesis of the widespread sentiments in a country which wants to share its democracy and to contribute to the peaceful development of the continent to which it belongs.

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CSO: 3010

## ESTEBAN REY ANALYZES COPEI FOREIGN POLICY MOVES

Caracas EL UNIVERSAL in Spanish 3 Mar 81 Sec 1 p 12

[Article by Luis Esteban Rey: "A New Venezuelan Foreign Policy"]

[Text] In my commentary on 6 January 1981, on the feasibility of making a revision in our foreign policy in view of certain hemispheric realities in particular, we mentioned something that is almost trite, to the effect that all foreign policy establishes national objectives of a permanent nature, although some of them may come under the influence of new national and international circumstances, and undergo tactical and even strategic variations, because it is a dynamic activity, especially in today's world. We added: "But we must not confuse dynamism with haste that would prove fatal."

Emphasizing this latter comment, we might ask ourselves whether some of the moves being made by our Foreign Ministry, and by Foreign Minister Zambrano personally, with his trips to Brasilia, Buenos Aires, Mexico City and Peking, as well as his previous visit to Canada, are not results of a certain amount of haste, which may have been precluded by a more thorough and realistic analysis, such as that required for devising a new hemispheric policy with extracontinental projections.

There is no doubt that situations have recently occurred (including the election of Ronald Reagan in the U.S.) which would advise certain tactical and even strategic changes, such as those we noted in our commentary of 6 January. The crisis in the Andean Pact, aggravated by the Bolivian issue and the tensions between Peru and Ecuador; the gloomy picture in Central America, wherein the responsibility of the COPEI [Social Christian Party] government cannot be evaded; the security of the Caribbean; Ronald Reagan's "new beginning" policy, which is, rather, an impossible "new return" to a past of absolute power; his harsh approach to international policy in general, with serious effects in the case of El Salvador and Nicaragua; his marked disregard for human rights, combined with an obvious receptiveness to the dictatorial and militarist regimes all over the world; the clearcut tendency toward carrying out, as in Nixon's time, a "low profile" policy in our America (with the exception of Mexico, which is perhaps concerned over the preference being shown it now by the White House); and, finally, insofar as South America is concerned, the course of events in Brazil, the change of government in Argentina and even the fact of the "institutionalization" of the Pinochet regime in Chile, advised our Foreign Ministry (and the president of the republic, of course) to make a thorough examination of all those facts and all those elements, new and old, so as to arrive at

some conclusions and, if it were deemed feasible, to establish new directions for our foreign policy under the current circumstances in the hemisphere.

#### What Is Sought and What Is Abandoned

We lack concrete information on the Foreign Ministry's decisions. We observe the movements of the foreign minister himself, and his statements, and the reports in the national and international press, which are certainly not always accurate, but from which, with a little caution, one can extract certain more or less concrete lines of action.

This change in our foreign policy appears to indicate a closer rapprochement with Brazil and Mexico, better relations with Argentina and something that we do not yet understand, namely, the pull toward China. We assume that the foreign minister's visit to Canada is part of the same context, although we do not discern it very clearly.

What can be observed from the aforementioned moves of our Foreign Ministry is that Venezuela has set aside to some extent Andean integration and, in fact, that of Latin America in general. It has shelved until better times (although it has not admitted this publicly) the "institutionalization of liberty" (a very laudable principle inspired by the Venezuelan democratic tradition, the OAS Charter and the aspirations of peoples); and, at the same time, it is tending to emphasize bilateral relations with the aforementioned countries (nevertheless, we condemn the alleged return to bilateralism proclaimed by Reagan, although the U.S. has actually never deviated from that policy). But, at the same time, our Foreign Ministry proclaims that it wishes to arrive at a kind of coordination of policies, not representing anything other than mere agreement; nevertheless, at the same time, we are informed that Venezuela, with Mexico, Argentina, Brazil and Canada, would constitute a "center of power" between the Soviet Union and the U.S. We do not know whether this is journalistic conjecture or whether this sort of joke occurred to someone in the Foreign Ministry.

Just in case, after Foreign Minister Zambrano left Brazil, Zaraíva Guerreiro, that country's foreign minister, stated that his government is not seeking homogeneity in Latin American policy, because there is in our America "a certain repugnance for uniformity." Incidentally, he commented on the Salvadoran conflict, noting that his country viewed with concern the fact that certain states consider it normal to take sides when there is an internal conflict. A word to the wise....

Upon his return from Brazil, Dr Zambrano Velasco made statements which were unquestionably aimed at clarifying positions. The foreign minister explained that the new hemispheric strategy "responds to circumstances being experienced by the world, and to a particularly agitated international situation, with reflexes and nuances in Latin America, which necessitate a search for agreement, and for intensifying and projecting it within the context of a common strategy, wherein there are present those views which we all uphold and there is respect for the typical and individual features of our countries, which have their own interests in the various areas in which they act."

Any effort to achieve common action among Latin American countries, based on possible agreement, taking into account the troubled regional and worldwide situation,

is always feasible and useful. But we would do well not to lose sight of the fact that countries like Brazil and Mexico, and Argentina as well, have not always preferred to carry out a bilateral policy; yet this has not prevented them from participating in the Group of 77, for example, and in the other regional and world forums. However, in essential matters associated with the relations with other countries, and even more so when superpowers are concerned, those states prefer bilateralism. Obviously, there is no refusal to discuss agreement and coordination, but we would have to learn the extent to which they would subject their policy to incentives of that nature.

In any event, a greater rapprochement with Brazil, Argentina and Mexico is positive, but bearing in mind the features of each country, and without expecting us to commit them to courses of action that they do not wish to take. Hence we would have to ask ourselves whether the Venezuelan Foreign Ministry made the necessary analyses, not only to devise a new policy, but also to prevent its hasty implementation from being satisfied by ceremonies of cordial welcome, banquets and formal statements. And we must also ask whether, in those analyses, there was an anticipation of Venezuela's future action on multilateral levels, such as the Group of 77, SELA [Latin-American Economic System] and the North-South dialog.

#### An Asian Strategy?

While, to date, we do not know (and only guess) the true motivation prompting the Luis Herrera government to make what would appear to be a complete turnaround in our foreign policy toward Latin America, we are even less knowledgeable of, and do not understand the reasons for our dashing to Communist China, in what does not appear to be confined to a mere visit to "intensify relations" and maintain contacts with major distant countries, something that is always useful, but rather something deeper, such as an "understanding" between Caracas and Peking with respect to the U.S. and the Soviet Union, and in any event toward the latter in particular.

If this is actually what is being sought, we are engaging in an impossible adventure, completely ignoring our limitations and possibilities on the international game-board. To extend the lines of our diplomacy to the Asian continent for that purpose would be something that could only be conceived out of inexperience and dilettantism. We should be far more modest, and confine our efforts to Latin America and, in particular, at least at the present time, to the Caribbean and Central America, closely monitoring the Yankee policy in these areas. As an OPEC nation we also have something to say, and we have been saying it, especially since 1974, in the North-South dialog. And we should stress this now that Reagan's U.S. and other industrial countries (led by Great Britain) want to postpone indefinitely the progress (which no one wants accelerated) toward a new international economic order.

Venezuela must make its own foreign policy, in accordance with its interests and the prevailing circumstances; and it would not appear prudent to embark on the ship of another power that is far more able and powerful than it, to head toward a hypothetical international action which only that power would be in a position to benefit from to the maximum if, perchance, the Venezuelan position represented something in its favor.

## What Zambrano Did Not Say

However, we would do well to note that, contrary to what certain news agencies implied or what was inferred from their dispatches concerning the remarks made by Foreign Minister Zambrano at the banquet tendered him in Peking by Chinese Foreign Minister Huang Hua, our fellow countryman did not criticize nor mention the Soviet Union. The ANSA agency (EL UNIVERSAL, 27-2-81), upon transmitting the reports from the Chinese news agency, stated that Huang Hua condemned the Soviets "for the incidents in Afghanistan and Indochina, and its union with Cuba to engage in infiltration and to foment subversion in Central America and the Caribbean." However, Zambrano, according to the Chinese agency, confined himself to commenting on the existence of "a serious threat to peace and security in the world," without mentioning any country; and, in discussing the Caribbean and Central America, expressed his desire that it become "a zone free from all external interference that would endanger the progress of the Latin American peoples." But the confusion is explicable...

## Reactions to the 'New Strategy'

But there remains the intention of Zambrano's trip to Peking, which is apparently part of our country's new external strategy that, particularly in the case of China, far exceeds our potential and the bounds of all political realism. This explains why personages familiar with international affairs and with Venezuela's foreign policy, such as former Foreign Minister Consalvi, the former adviser to the Venezuelan Foreign Ministry, Prof Demetrio Boersner, and Prof Jose Agustin Silva Michelena have expressed genuine surprise at the "frenetic" actions of our Foreign Ministry, but especially with respect to the so-called China "option" (?)....

Simon Alberto Consalvi stated simply that he does not understand the new foreign policy, which he described as "a puzzle with half the pieces missing." Demetrio Boersner is of the opinion that what should be criticized most is "the sudden manner, without internal consultations, in which the action has been undertaken." He considers the search for a consensus with Latin American countries positive, but the trip to Peking appears to him to be "negative and unfeasible." Prof Silva Michelena regards the trip to Brazil, Mexico and Argentina in search of a "common policy toward the U.S." as being commendable, and also the visit to Peking; but, he adds: "That attack on Russia, and bringing the Chinese-Soviet conflict here, is reprehensible." Silva Michelena declared (EL NACIONAL, 1 and 2 March): "Venezuela has no strength to play with those blocs. That is dangerous."

Former Foreign Minister Consalvi is especially concerned over what might be an abandonment of certain policies which have been key ones up until now for Venezuela in Latin America. He recalls that the 10th anniversary of the Andean Pact was celebrated in Cartagena with "a great show," but that there is now an obvious correction, "although neither the reasons nor the diagnoses have been frankly explained." He stresses that the Pact could be improved and perfected. According to Consalvi, Venezuela should take action in the international area chiefly through the Group of 77, and in Latin America through SELA. So one wonders why we have frozen SELA, and who in the government is concerned with the affairs of this organization.

Certainly the reactions evoked by our new hemispheric...and Asian strategy among the aforementioned personages are the same as, or similar to those that it has caused among other fellow countrymen who follow the course of our international policy with interest. Some may think that, for the new Venezuelan "global strategy," we need a more stable internal political situation, and a certain consensus on this and other essential matters closely associated with the interests of the republic.

#### The Absence of the Caribbean and Central America

One of the notable absences that we observe in the new hemispheric strategy is that, for the moment, there is no concentration on events in the Caribbean and Central America. It might be argued that it is precisely to strengthen Venezuela's position in that region that the new strategy has been put into practice quickly. But the excuse is not very convincing, especially when we recall the warning given by the Brazilian foreign minister.

In commenting on Central America, Simon Alberto Consalvi said that our countries have left it to the United States alone, that for this reason it has no spokesman, and everything is left to the mercy of Haig's hard-line policy. The reality is not otherwise, at least up until now. In these Commentaries, we have repeatedly cited the need for a joint action on the part of the Central American and Caribbean countries to seek a political solution in El Salvador. Almost all the major nations of the area are involved in the contest in one way or another, but none has made a move to perform an act of peace. The European countries are involved in the conflict, with or without the encouragement of Washington. The Socialist International, whose Latin American commission met a few days ago in Panama, suggests that Willy Brandt act as mediator with President Reagan to seek a solution to the crisis. All, even the guerrilla sectors represented in the Democratic Revolutionary Front led by Guillermo Ungo, want to talk with the U.S. in search of a peaceful solution.

This inability of the Latin American countries in the area to decide on a joint action capable of putting an end to the bloody tragedy in El Salvador is very sad and very regrettable. How can we react angrily to the U.S. intervention in our affairs if we put in its hands, directly or indirectly, the privilege of resolving them?

The new Venezuelan hemispheric strategy should have aimed first at the crisis in Central America and the Caribbean, especially if all the COPEI strategists claim that the security of the Caribbean and of Venezuela which, because of its oil, would be the coveted prey, is at stake in El Salvador.

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## ESTEBAN REY CRITICIZES REAGAN'S 'IMPERIAL' FOREIGN POLICY

Caracas EL UNIVERSAL in Spanish 12 Mar 81 Sec 1 p 13

[Commentary by Luis Esteban Rey]

[Text] The Reagan Imperial Policy

The fact that the United States, under Mr Reagan, wants to reaffirm its power with respect to the Soviet Union and to carry out a policy to curb the Soviet expansion which could seriously upset the world equilibrium is something that we all understand; but the fact that Reagan, Mr Haig and company are attempting to make the whole world dance to the tune of their music, and to reactivate aggressive imperialist attitudes, particularly with regard to the lesser powers, and the Third World nations in general, is something that could produce for them results quite different from those they presumably wish to reap.

Nothing would benefit the Soviet Union more than if the "new beginning" foreign policy were to be bent on reviving the U.S. as policeman of the world; because, even though this is impossible at present, in any event the efforts made by Reagan in that direction would serve to stir up old anti-Yankee sentiments on all continents, something that would suit the comrades in Moscow just perfectly.

The so-called "vital interests" of the United States are very important, but that country cannot expect the world to revolve around them, especially when there are involved in those "interests," now more than ever, those of a rampant capitalism which has been felt since 4 November 1980 with renewed vigor, imposing internally an economic and fiscal policy in its service, and externally intensifying even more the preeminence of the multinationals, reviving, if necessary, the diplomacy of threats and even of gunboats.

Reagan's disregard for human rights, emphasized by the appointment to the State Department's Office of Human Rights of a declared enemy of them, namely, Ernest Lefever, and the possible selection for the post of undersecretary of state for Latin American affairs of Mr Thomas Enders, an individual completely dissociated from Latin America, illiterate in the Spanish language and (according to those who know him) possessor of an arrogance in direct relation to his height of 2 meters, who seems to acquire more force when he is facing representatives of Latin American countries (as he demonstrated in Canada, where he was his country's ambassador), reveals the countenance of a policy that is not yet clearly defined (except for its action in El Salvador), but is possible to predict.

Added to those appointments is that of Roger Pontaine, the brand new adviser for Latin American affairs on the National Security Council (CIA). He is a member of the rabid right wing, with whom the by now notorious Salvadoran extreme right winger and conspirator, Maj Roberto D'Abuisson, claimed to have held talks, giving the latter to understand that the Reagan government would view with approval a military "putsch" in El Salvador to get rid of Jose Napoleon Duarte and his Christian Democratic colleagues. State Department spokesmen claimed that the conclusions drawn by D'Abuisson from those talks were mistaken, but.... (see of 7 March 81).

Another reflection of the "new beginning" regarding its foreign policy was the statement by the new secretary of agriculture, John Block, when he had just been chosen for this post by Ronald Reagan. Block gave assurance that, from now on, the U.S. would use its great food production, especially that of grain which it exports in large quantities, as a political weapon to pressure the purchasing countries, in urgent need of that food, to yield to the dictates of U.S. foreign policy. Although Mr Block was forced to soften that statement slightly later, in any event, in his attempted "explanation," he gave the impression that what he had said previously was not very far removed from the truth. Of course, no one can oppose Mr Reagan's use of food as a political weapon, but we would not like to be in his shoes, politically, that is.

#### Against the Third World

As for the Third World as a concept and as a reality, it is nonexistent to the Reagan government. In his lengthy statement before the Senate in mid-January, Gen Alexander Haig mentioned the "so-called Third World," and claimed that the community of conditions and proposals inherent in that term "is a myth, and a very dangerous myth." Haig stressed that the U.S. was attempting to apply to "states in a period of development Western standards which definitely ignore the vast differences that exist in their cultural, social and political development, economic vitality and internal and external security."

No one, not even the Carter government, ever thought that the Third World constituted a geographical, cultural, political, etc. unit. But in the economic and social area, the Third World states are confronted, more or less emphatically, with rather similar problems; and therefore, through the Group of 77, the North-South dialog and other forums, there has always been an attempt to solve or mitigate those problems with the cooperation of the large industrial countries.

When Haig and, of course, Reagan decide that the Third World does not exist, they are, more than anything, taking aim against the North-South dialog and, consequently, against the possibility of constructing a new international economic order. Because without the existence of the Third World, there can hardly be any talk of dialog and of a reconstruction of the world economic order.

We are already aware that this is a slow, difficult task, which requires a certain change of mentality on the part of the Northern countries; but it must be attempted, because the inequality among nations is planting the seeds of serious conflicts and of a devastating world crisis. Some priority understandings between the North

and South are quite necessary, for example, such as those that need to be achieved in order to prevent or alleviate the great famines that are anticipated in Asia and Africa, according to the general director of the FAO, which are predicted as worse than those of previous years.

#### 'Advice' to Venezuela

The economic situation of the industrial nations today is not very encouraging, and it may be expected that, for this reason, the North-South dialog will not progress as would be desirable; but we cannot disregard how the United States appears to be proposing it. It is true that, before Reagan, there were already problems in the U.S. with the North-South dialog; but now they will become exacerbated. At a meeting held between Venezuelans and Americans in Washington last November, which we attended, one of the participants, a professor from a U.S. university, took the liberty of suggesting that, in view of the fact that the demands of the Third World would encounter very strong opposition from the Reagan government, Venezuela's foreign policy should abandon the Third World proposals, so as not to clash with the United States. It was an eloquent warning. In any event, Washington's position will be voiced at the North-South Conference to be held in Mexico in June of this year, if not earlier, in the same negative way that it has been expressed now that the Conference on the Law of the Sea is approaching its end.

#### Reagan Hampers the Treaty of the Sea

This has been, precisely, the most recent manifestation of the U.S. reactionary and aggressive policy with respect to the world community and, in particular, the developing nations. As our readers know, the United States has hampered what would have been the final round of the United Nations negotiations for completing the writing of the draft of the Treaty of the Sea, claiming that the new government had to review everything that had already been virtually approved. The entire membership of the U.S. delegation was changed.

One of the fundamental objections relates to the clauses in the draft which stipulate the participation of the poor countries in the mining resources on the bottom of the sea, and the obligation of the developing companies to transfer technology to a special United Nations agency. An angry State Department official who was not identified said (according to the NEW YORK TIMES) that high-ranking officials of the new government refuse to let the U.S. share the sea's resources with other countries.

The resources at the bottom of the sea, beyond the 200 miles of territorial waters, do not belong to anyone, and at the same time they belong to all members of the world community. It is true that few countries, with the U.S. and Russia in the lead, possess the technology for exploiting those resources; but that is no reason for their being able to appropriate them exclusively. This is what is stipulated in the Treaty of the Sea that the U.S. now wants to review. This decision, which would destroy 7 years of work, and which is attributed to pressure from the powerful private companies owning that technology, has caused great perplexity among many governments. In previous years, these companies had already opposed the clauses calling for the participation of all states in the resources on the ocean floor, but agreements were reached that were deemed satisfactory. Now, taking

advantage of Reagan's "new beginning," which is not a "new beginning," but rather a serious retrogression, the private corporations whose influence in Washington has grown recently, want to undo what has been done. This might mean that the draft treaty will be shelved indefinitely.

The United States is a superpower, and can have its way in this and other matters aired in the international forums. But if an imperial policy seeks to go beyond the search for world equilibrium, and aspires to impose its will on peoples who are zealous about their independence, it will meet with a hostile repudiation from which its enemies will manage to take maximum advantage.

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## LEFTIST PLAN TO DESTABILIZE UNIVERSITIES DISCUSSED

Caracas EL UNIVERSAL in Spanish 7 Feb 81 Sec 2 p 1

[Text] Caracas, 6 Feb (VENPRES)--Antonio Jose Villegas, rector of the Simon Bolivar University (USB), formally denounced today the existence of "a preconceived plan" of the Left, supposedly intended to "destabilize the democratic system," and whose first step would be the present conflict which is paralyzing, "with the exception of USB, all the institutions of higher education" of the country.

Referring to the national strike decreed by the Federation of University Employees, the rector warned: "This is no longer an educational conflict but a political one.

"I must point out here," he said, "that there are groups determined to destabilize the system, with very definite objectives--objectives which I am not sure about, but which I do suspect."

"The situation is really dangerous," he stressed, "and not only as to the kind of university we want, but also as to the kind of country we wish to have."

The USB rector said activities continue at the university and students attend classes as usual, but he said that "tasks cannot be properly carried out because they are interrupted by groups of people from other universities.

"I have the impression," he said, "that the goal is to paralyze all national education, since in several areas they are putting pressure on secondary schools, which would undoubtedly aggravate the conflict."

Villegas insisted in denouncing that "increasingly greater efforts are being made to stop the normal functioning of USB," stressing that "the presence in my university of well-known student leaders leads us to believe that there is a preconceived plan expressly intended to paralyze USB also.

"The student center at USB is practically controlled by the Movement for Socialism (MAS)," he said, "but there are other parties that want this control, because those are the most aggressive." He denounced that though "students who want to study" firmly opposed the attempts of those groups at the

beginning, recently "they have become less active," because of the "fear" produced by "threats" from those groups.

He specifically said that "there are several students who have been threatened with violence."

The USB recalled that "the problem stems from the disciplinary measures that had to be applied to 12 officers of the Association of Administrative Employees, who repeatedly violated the existing statutes and inopportune paralyzed academic activities, causing serious damage to the university.

"I believe that if we wish to live in a democratic regime, we must respect appropriate channels." He reproached the employees involved for not having gone to the courts at the right time to denounce a possible illegal action on his part in taking the measure.

"If group pressures were left to govern," surmised the rector, "Venezuela would be an unpredictable country, would stop being a democracy and would become a truly Kafka country."

Villegas also criticized the solidarity offered his university by the students of the other centers of higher education of the country, especially the Central University of Venezuela (UCV). "The UCV is totally paralyzed," he observed, "and the Federation of University Centers [FCU] says that it believes in autonomy.

"Now," he immediately asked himself, "if it believes in autonomy, why does it intervene in other universities?

"To paralyze higher education and deny studies to 384,000 Venezuelans, which is the registration of the universities, is simply criminal," he accused.

However, the USB rector categorically rejected the proposal for mediation of the conflict made by the UCV University Council.

"I believe," he insisted, "that there are regular channels to solve this conflict."

Villegas recalled that "our employees are public employees and public employees are ruled by the Law of Administrative Careers.

"Then, why should I delegate my duties to an element foreign to the university?" he asked, thus declining the offer of the FCU and the UCV.

"I am the one responsible (for the conflict that has been created)," admitted the rector.

In concluding he stressed "A judge should decide whether I am right or not."

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COUNTRY SECTION

VENEZUELA

BRIEFS

COOPERATION ACCORD WITH FRANCE--Venezuela and France have signed a new agreement for technical cooperation in urban development, specifically in the areas of construction of new cities and urban renewal programs. The accord was signed in the office of the minister of urban development, Engineer Orlando Orozco M., by Engineer Jorge Correa Romero, MINDUR [Ministry of Urban Development] director general, and by Jean Chapon, representative of the French Government. The official minutes of conversations between the French mission and the Venezuelan Government on the possibility of establishing a program for the construction of low-cost housing were also signed on this occasion. The ceremony was attended by the minister of urban development, Engineer Orlando Orozco, by the ambassador from France, Mr Jean Francais, by architect Elio Vidal, director general for the urban development sector, and by a group of French businessmen and bankers.  
[Text] [Caracas EL UNIVERSAL in Spanish 9 Feb 81 Sec 2 p 23] 9341

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